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## ***Supplement***

# **East Europe**

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# East Europe SUPPLEMENT

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**\* BSP Leader Zhan Videnov Speaks at Party Conference**

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[Speech by Zhan Videnov at the All-Party Conference: "The BSP (Bulgarian Socialist Party) and Present Policy Issues"]

[Text] Comrade delegates, honored guests:

Today, one and a half years after the elections, and 15 months after its 40th Congress, the BSP is holding its All-Party Conference as the most influential political force, having withstood the brutal pressure exerted by the recent rulers, and strengthened rather than shaken up by the repressions. In the dynamics of our breathless daily life, we are the party that persistently seeks and, with increasing clarity, defines its nature as a leading constructive factor of change in Bulgaria.

By assuming tremendous responsibilities and efforts, and risks, the Bulgarian socialists lifted the open threat of an extremist, regressive, and undemocratic degeneration of the transition. However, the negative consequences of the shock therapy, the administrative voluntarism, and the confrontational policies pursued by the previous rulers will continue to cause further misfortunes to the broad social circles in the future as well. The complex processes of social transformation are continuing under the conditions of a grave economic crisis, social tension, and adverse foreign-policy situations.

Despite the revived potential of social consensus, the foundations and mechanisms of the democratic, social, and law-governed state remain unstable and inefficient. The political positions and practical behavior of the BSP are becoming increasingly important in terms of political dynamics and development.

It is to them that the All-Party Conference must dedicate its work and decisions.

Comrades:

At its 40th Congress, the BSP provided a political assessment of the electoral results. It analyzed the situation in the country and set the task of converting the BSP and its parliamentary coalition into a new European-type democratic opposition. Already then the need was formulated for providing a left-wing alternative to the political and economic reform in our country by strengthening democratic institutions and organizations, emphasizing the peaceful transition, and strengthening the role of the BSP as a factor of change in Bulgaria. The merit of the congress was that it outlined the danger of an extreme right political turn in our country, linked to a real threat to our national and social security. The congress substantiated the need to turn the BSP into a new party through serious ideological debate on the plan for drafting a long-term programmatic document that could fill the existing ideological vacuum.

The 40th Congress was an event in the history of the party, that would be difficult to belittle, deny, or forget. It furthered the ideological movement within the party after 10 November 1989, proving that there are no alternatives to the change within the BSP. The foundation laid by the congress proved strong. On its basis, we have come to our party's present with major problems and difficulties but also with good prospects and with optimism for the future.

In the spirit of the stipulation of the congress concerning the electoral results and the social need for a constructive parliamentary opposition, the BSP Higher Council and the socialist deputies drafted and partially implemented their "Program for Political and Parliamentary Action," oriented toward four basic tasks: defending the democratic nature of changes in Bulgarian society and protecting the social alternative during the transition; assisting reforms in the economy, aimed at taking the country out of the crisis, at the cost of a bearable social price; confirming the BSP as an essential part of the left-wing political space; and implementing the first stage of the ideological discussion within the party. With its "Program 92" and the efforts to implement it, as well as the results that were achieved, once again the BSP proved its support of the idea of a national consensus. Unfortunately, this philosophy that was life-saving to the country was categorically rejected by the rulers.

**The Oppositionist Behavior of the BSP After the Imposition of the Extreme Confrontational Trend Within the SDS [Union of Democratic Forces] Administration**

Following the presidential elections, the threat of an extremist turn in the SDS leadership became the harsh reality. Such threats were manifested in the notorious Varna Declaration of the 39, followed by confrontational, power-oriented, antidemocratic, and restoration activities of the SDS in all areas, carried out through the parliament, the government, the local authorities, the judiciary, and the national mass media. Within a short time, the basic slogans of the SDS electoral platform and the presidential election campaign were implemented through the sign of the blue ballot: Indiscriminate restitution in kind, antieconomic liquidation of agricultural production units, and repoliticization of the judiciary through the Higher Judicial Council. Mass layoffs were undertaken for political reasons. A new "blue" nomenclature was established, and grounds were prepared for political show trials. The pressure applied by the authorities on their political opponents, mainly the BSP, increased immeasurably.

Under such circumstances, the VS [Higher Council] of the BSP and the socialist representatives provided an accurate assessment of the administrative formula imposed by the SDS, allied with the DPS [Movement for Rights and Freedoms]. They drew the important conclusion that within its framework the fundamental problems of the rulers could not be resolved during the

transitional period. Their formula was defined as genetically damaged and totally unsuitable and impossible to improve. This delayed and compromised real change. On this basis, the task was set of eliminating with maximal speed and surmounting the regressive political trend in the country's social life, embodied by the then SDS leadership. This was the target of our spring and autumn political campaigns and of a number of important positions taken by the party leadership on the agrarian reform, industrial restructuring, and social protection during the transition; the legislative organization of the reforms in the area of labor relations; the party's trade union policy, and others. Their implementation, albeit partial, was the great contribution made by the BSP activists, members, and sympathizers. Under the conditions of repressive confiscation, mass political dismissals, and real threat of legal prosecution, they fulfilled their civic duty and put an end to a political trend fatal to our country.

#### The Political Crisis and Attempts at Its Resolution

The tempestuous beginning of the political autumn unequivocally proved that the confrontational power policy of the SDS was leading the country into a general political crisis. It greatly affected the power institutions and led to an undemocratically functioning parliament, a weak government, a repoliticized judiciary, and a presidential institution exposed to sharp attacks. These institutions proved unable to cope with the consequences of the economic and social policy pursued by the SDS.

The defense of democracy, ending the political, economic, and moral confrontation within society, and ensuring civil peace, work, and bread for the people in the forthcoming hard winter became the common task of the political forces. As early as the end of October 1992, the BSP openly expressed its views on the elimination and the lasting resolution of the political crisis, and the need for a new socioeconomic policy and for surmounting the confrontation through a dialogue in the search for a national consensus. This view met with a broad response within the party and society. It became a reliable guideline in the complex and dynamic state of crisis.

At the early stage of the governmental crisis, it had become clear that the SDS leadership was unable to abandon its groundless, confrontational, and power policy. The fall of the Filip Dimitrov cabinet also dissipated the mistaken view that the SDS is the sole factor of change to which there was no alternative. The anticommunist majority in the 36th National Assembly collapsed definitely, and it was purposefully that as of that point the SDS began to blackmail society and parliament with early elections. This was an obvious indication that the possibility had appeared for the political elimination and abandonment of extreme restorative and anti-democratic trends which had resulted in the SDS administrative formula. Conditions were created for breaking up the bipolar political model that harmed the country and for interaction with broad political forces in the

search for a better transition alternative. The expectations of society concerning civic responsibility, having a clear position, and a feeling of duty, and an essentially new attitude toward the authorities in the implementation of its constitutional opportunity to form a government turned to the BSP.

In accepting the challenge of the investigation mandate, the BSP and its coalition partners set themselves clear and tangible targets that could mobilize individual efforts and public actions: to resolve the crisis in the power institutions; to limit economic dislocation; to take life-saving measures in the most severely affected sectors and most helpless social strata; and to promote a structural reform as the foundation for future growth. By assuming this difficult mission with the sincere ambition to carry it out and to assume the responsibility of ruling without fear or greed, the BSP in fact refuted the SDS claims of political monopoly in Bulgaria.

Taking into consideration the lack of conditions for developing a truly broad coalition of parliamentary and nonparliamentary forces, the BSP sought the resolution of the political crisis in the formula of "a programmatic government of national consensus." This applied to a government which would enjoy political support, social trust and independence within the framework of its pragmatic and clear program; would have a prime minister who would have authority in society and among the various political forces; would develop as a team of competent ministers, free from party diktat; and would be able to engage in a dialogue and interaction with the structures of a civil society.

The results of the attempt to implement such a promising formula for the country are widely known. After a variety of happenstances, the study mandate of the PSSD [Parliamentary Union for Social Democracy] failed. This was rightly assessed as a serious error committed by the political and parliamentary leadership. The reasons for this were linked to some essential weaknesses in the final phase of the implementation of the mandate and were analyzed in detail. It was on this basis that the VPS [Higher Party Council] and the PSSD confirmed their faith in their leaderships. This was based on the unquestionable success in the formulation and promotion of the "Programmatic Government of National Consensus" formula. The formula became widely popular in society and a factor for an opening of the BSP toward the essential political forces. It became a real manifestation of the tremendous unused opportunities for political dialogue. It created clear prerequisites for a future left-of-center coalition.

Following the unsuccessful efforts on the part of the SDS and the BSP to form a government, and after the failure of the talks between the DPS and the SDS, Professor Berov's government was formed with the approval of representatives from all parliamentary groups, mainly the BSP. This was an attempt to respond to the belief which prevailed in society that the governmental crisis can be resolved even without early elections, through a



change in the political line. At a number of joint sessions, the VS of the BSP and the PSSD analyzed all possible arguments "for" and "against." After dramatic debates, the constructive intentions of pursuing a new type of policy aimed at resolving the gravest problems of democracy, the economic reform, the social situation of the people, and national security, became decisive in terms of the final vote. The final draft of this document included most of the essential requirements stemming from the electoral platform of the BSP and the interests of our electorate. We supported "with reservations" the good intentions aimed at taking the country out of the profound confrontational crisis in the interests of the nation and with the support of all political forces that were in favor of reforms in the spirit of democracy and a market economy.

### The Current Political Situation

The country is continuing to seek a way out of the many-sided comprehensive crisis. The reasons for the crisis are related to the difficult legacy of the past and the wasted opportunities for radical reform, and also of the adventurist shock model of reform imposed by the SDS, the sharp confrontation, and the inability of political forces to rally around the interests of the entire nation. The results are more than alarming: a tremendous production decline, mass insolvency of enterprises, unbearable domestic and foreign indebtedness, lost markets, and creeping inflation. The endless growth of unemployment, the tremendous decline of real income, the unprecedented drop in consumption, and horrifying poverty are the sinister companions of the crisis.

The SDS administration subordinated the administrative-command system in the economy to restitution and speculative capital. It ruined agricultural production for the sake of ideological schemes, primitive political revenge, totalitarian instincts, and autocratic measures of big and small "blue" rulers.

Under such socioeconomic circumstances, the legal foundations of a democratic political system, created at great effort, can be converted into standards of political behavior very slowly and with difficulty. The influence of the citizens and the public on policy implementation is declining, and the role of the politicized bureaucracy, frequently motivated by carefully concealed oligarchic interests, is growing.

After a three-month-long governmental crisis, the state institutions periodically sharply clash against each other and become targets of extremely dangerous recurrences of reciprocal subordination and merger of power institutions. The inherited totalitarianism within the administrative structures is put at the service of a variety of strata and groups. We are facing a serious crisis in the police, the investigative authorities, the courts, and the prosecution. Political trials that bring shame to the country are continuing. Local self-government and township autonomy have become invisible. The trend toward imposing political will through gross administrative

means has not been surmounted. It triggers spontaneous opposition and compromises change.

The crisis in the spiritual area is intensifying as well. The politicizing of science, education, and culture are causing lasting damage. There is unrestrained commercialization of spiritual life. The intellectual potential of the nation is being wasted. The democratic traditions of national spirituality are fading. The age-old cultural legacy is being destroyed.

The divided Bulgarian society finds it difficult to cope with the challenges of a tempestuously changing world. We live in the most unstable area of Europe today, where old contradictions are revived and new contradictions appear along with hotbeds of tension and conflict. Even the real threat to our national security is being used by political, ethnic, and religious circles for purposes of internal political struggle.

The categorical refusal to engage in a political dialogue is the main reason for our country's lack of a unified Balkan foreign and national policy it so urgently needs. This could have severe consequences to our country. The hasty, superficial, and ideologized reactions to recent events in Russia are dictated by obvious domestic political reasons. However, they could also have grave foreign-policy and foreign-economic consequences. Denunciations of political opponents, addressed to the great powers, made after our liberation are being indiscriminately submitted by the SDS and its former and present leaders for a third consecutive year. The clearly independent nature of the Bulgarian transition rejects such a "policy." This, however, does not make it any less dangerous, particularly if elevated to the rank of state policy.

Along with the obvious manifestations of an intensifying crisis, in recent months a certain easing of political tension and decline of extreme political prejudices have become apparent in society. An increasing number of people are beginning to assess political forces on the basis of what they are doing to protect their immediate interests rather than on the basis of ideological or value criteria. We note throughout the range of the political spectrum a clearly manifested trend of withdrawal from active political positions. The sober assessment of reality and the desire for calm and dialogue are prerequisites for resolving the grave confrontational crisis. At the same time, they are also related to a certain social disappointment in the political forces and in the lack of substantial positive results in their activities. They are the result also of the exceptionally dangerous efforts on the part of certain power circles to prepare, motivate, and justify an eventual authoritative model of transition. Against this background, the role of carefully concealed groups which seek to penetrate the power structures by all possible means is increasing dangerously. The threat of imposing the will of new oligarchies that combine economic, trade union, political, and administrative-managerial interests is growing. There is a social consensus but there is no

political will and, in particular, no state wisdom to change this unenviable situation.

### The President

Public opinion links many of its hopes for a successful resolution of the confrontational political crisis and for avoiding the threat of an undemocratic degeneracy of the transition to the personality and the institution of the president. This feeling is not futile. Major initiatives and actions taken by the president since last September were aimed in their essential aspects at achieving a certain form of national consensus. Naturally, we do not accept national consensus as being a "common front against red and blue extremism." This formulation is just as erroneous as the electoral slogan of "communism or democracy," and exhortations aimed at a mythical "recommunitization," the praise of industrial and land restitution, and the lack of reaction to political repression. The president cannot be relieved of the entire responsibility for the path followed by the SDS since the Strike of the 39.

At the same time, the president plays a certain stabilizing role in society, for which reason we shall continue to develop our relations with that important institution on the basis of a frank dialogue and proper respect for the head of state and the constitutional embodiment of the unity of the nation. We expect of the president to continue to fulfill his national tasks without becoming involved in party, group, or institutional conflicts.

A starting point in the attitude of the BSP toward the institution and personality of the president must be an assessment of the extent to which he is able to act within the framework of the Constitution and to resist spontaneous aspirations, advice, and the temptation of putting himself above the parliament. Regardless of the slight possibility that some kind of form of authoritarian rule will be imposed in Bulgaria, the problem is one of the real limits of the rights of the superior state power agencies; the essential rejection of any kind of authoritarian solution remains. We would like to see in the president above all one of the constitutional guarantors of the democratic development of the country, reacting in accordance with his rights to any anticonstitutional, antistate, and antisocial act.

### The Government

The forming of the present government provided a real opportunity for change in policy. The activities of the cabinet are proof of the complexity of the transition, fiercely denied by the SDS. It provides the BSP with the opportunity to further develop its own alternative for resolving the crisis and for building a democratic, social, law-governed state. Our support of the cabinet has already brought about a certain isolation of the SDS leadership and the intensification of its clashes with leading political entities and institutions. Opportunities are becoming available for new, more promising, moderate formations in parliament and outside parliament.

A serious political dialogue is being revived. Although limited, the monitoring of the central executive authorities by the BSP helps to surmount apathy, fear, and doubts within the party and the restoration of its normal attitude toward the regime.

Naturally, the risks to the BSP related to the government are as great as its opportunities. The greatest danger lies in the disparity between the political configuration in parliament and the government. In the National Assembly the cabinet depends almost entirely on our support, especially in the struggle against the destructive SDS policy. In the government, however, we do not enjoy even one-hundredth of the influence of the president, the trade unions, the ASP [Alternate Socialist Party], and the DPS. This state of affairs ties the BSP to the social expectations and political responsibility without providing it with the respective means of influence. Objectively, it could intensify the doubts in society to the effect that the BSP does not and cannot have any normal attitude toward the regime for, in principle, it prefers to exercise power secretly. Uncritical involvement with the government and the combinations of all sorts that are being made around it may lead to a situation in which narrow-group interests could shape a concealed governmental policy during the most difficult period of the crisis, at the decisive stage of the reform. This must not be allowed, and the BSP cannot and must not assume responsibility for the consequences of such a development.

Under the conditions of a grave crisis and a dynamic political situation, the government headed by Professor Berov is encountering major problems and difficulties in establishing itself. This is the effect of the severe consequences of the failure of the SDS administration. The Berov government is undeservedly yet naturally paying with its own reputation for such failures. The specific approach to forming the cabinet is reflected on its current actions, which are frequently uncoordinated, inconsistent, and aimless. In other cases, the government shows a lack of resolve or delays, or else acts hastily without proper consultations with the parliamentary and nonparliamentary forces that support it, and that inevitably share its responsibility.

The timidity and unwillingness of a minority government frequently to seek the support of the national economy is understandable. Also understandable is the inability of a nonparty cabinet to develop systematically its own political profile. However, without a clear political position toward the government on the part of all parliamentary groups, including the two smallest ones that made this cabinet possible, the cabinet is doomed. That is why it is most interested in seeking and demanding such a clarity, however risky this may be. Otherwise the cabinet would be unable to make use of the positive social consensus, a favorable press, a broad nonparliamentary support, trade union tolerance, and the powerful influence of the president.

The BSP's attitude toward the cabinet is constructive and critical and, depending on specific conditions, the BSP provides it with parliamentary support or parliamentary pressure. This depends exclusively on the ability of the cabinet to survive, within the limits of its own good intentions. In some areas, however, we note serious backsliding: agrarian reform, privatization, income and price policy, free education, power industry, and struggle against crime. Major frictions and even conflicts will probably occur. That is why in the future as well we must encourage the cabinet to pursue a specific policy, as stipulated in its programmatic declaration, and further develop the governmental program. To us, seven items in that program are the most important:

1. Ensuring domestic and international security, the struggle against crime, putting an end to coerced acceptance of Turkish ethnicity, and a policy of nonintervention in military activities related to foreign territory.
2. Maximal acceleration of the restoration of the land and the shares, elimination of liquidation councils and all obstacles to registration and activities of new economic production entities, including cooperatives.
3. Periodical raises of wages and pensions to compensate for inflation, agreed upon with the tripartite partnership mechanisms.
4. Strengthening the social aspects of privatization and limiting industrial restitution.
5. Blocking any kind of involvement by state institutions in political discrimination, putting an end to the shameful political trials, and withdrawing the absurd claims against the BSP, filed in court.
6. Ending the trend inherited from the preceding government toward excessive centralization of power and depersonalizing of local self-government.
7. Maintaining a permanent dialogue between the cabinet and all political forces that support the reforms in the spirit of democracy and a market economy.

#### The Parliament

The legislative activities were blocked by the confrontational crisis in which the country plunged in the summer. To this day, the parliament is continuing to lose reputation in the eyes of the public. What matters to the people is the waste of irreplaceable time and failure to pass laws to improve life.

The attitude of the BSP toward this parliament must be defined on the basis of the implementation of several tasks to which we ascribe priority:

1. Amendments to the Law on the Land, which would ensure a problem-free preliminary ownership granted to the owners, and changes in the way of the shaping of the liquidation councils so that they may conclude their work within the shortest possible time.

2. Changes in the Privatization Law, which would broaden the circle of participants and ensure a greater incentive for personal participation in the processes of economic restructuring.

3. Blocking all discriminatory standards and rejecting in principle all efforts at "decommunization by law."

4. Definitive assessment of the intentions of the government in the social area through the budget.

5. Changes in the Law on the Higher Judicial Council, thus ensuring its true political impartiality, the efficient and calm work of the judicial system, and an end to the political trials that bring shame to Bulgaria.

6. Adoption of the laws on local self-government.

7. Adoption of the laws on the army and the police.

8. Passing the laws specifically stipulated in the Constitution.

This is a stance of development, the essence of which is a constructive critical attitude. Through the implementation of such tasks, the BSP must assert its presence in this parliament and its efforts for its stabilization and for support of the government. The BSP must categorically formulate such requirements to its political partners in the National Assembly and outside parliament, to the trade unions, and to the government itself. At present it cannot act as a decisive opposition. However, it will prove itself through its clear and categorical position that emphasizes its identity among the other political entities.

#### The Political Forces

The Union of Democratic Forces has pursued an extremist policy and behavior, and its irreversible degradation has started. Today's SDS is a threat to democracy, the state, and society. Its line is worsening even further the growing political and social tension in the country. The unity achieved in support of the extremist course and its bearers within the NKS [National Coordination Council] and the SDS Parliamentary Group forebodes a power-oriented, provocative, and undemocratic behavior by the SDS.

The SDS proclaimed as its supreme task a fast return to power at all cost, without formulating any positive national objectives for the sake of which it aims at the power. This is a dangerous claim to political monopoly that is a real threat to the democratic processes in our country. It does not even hint at normal opposition.

The SDS declared war on the power institutions. It proclaimed unacceptable the Berov Government or any other government put together by the 36th National Assembly. The SDS demanded the resignation of the president, accused the courts and the prosecution of



slackness; it declared war on the investigative and security services; it proclaimed its intention to engage in sabotage through the administration in the center and in the local areas.

Once again the SDS placed above anything else the struggle against the BSP. It called for an anticommunist front and radical "decommunization."

In the consolidation it achieved at its conference, the SDS unconditionally rejected democratic principles and is degenerating into an undemocratic destructive power headed by an extremist leadership that feeds on the intensification of the crisis and the inevitable difficulties and errors of the transition.

Such extremist SDS course could be stopped through the interaction and dialogue with all democratic forces and left-wing parties, centrist parties, and moderate circles within the SDS itself, for the sake of national consensus, democracy and reform.

We must clearly understand the basic attitude of the BSP regarding the annoyingly recurrent effort at reviving the so-called concept for decommunization by various political circles and institutions.

Since 10 November our party has implemented and participated in the implementation of a deep renovation process related to the elimination of totalitarian structures and to surmounting totalitarian views and dogmas. Additionally, the main factor has been the building of a new democratic political and economic system. If the political forces relying on the concept of "decommunization" remembered this, we were bound to find a common language. The truth, however, is different. What "decommunization" means is the exercise of an antidemocratic, repressive, party-motivated substituting of some people with other, contrary to the fundamental values of a democratic society. It means the cynical destruction of the national human potential. The BSP rejects both the antihuman ideology of "historical guilt" and the exploitation of the lowest aggressive instincts. The essentially confrontational concept of "decommunization" must be thrown into the ideological garbage dump. Unlike it, we are offering an alternate policy for a democratic future and the implementation of economic reforms and a resolution of the crisis at a bearable social cost.

With the implementation of its investigative mandate, the Movement for Rights and Freedoms asserted itself as a major force on the national political horizon, but is losing its role as a parliamentary balance that had earned it such easy dividends. Another attempt at mechanically restoring this condition, optimal to the DPS, may be made. Nonetheless, it is more likely that the DPS has bet on its capability of influencing the government in the interest of its own electorate, strengthening its positions on the higher levels of the administration, and acquiring a real opportunity for developing a propresidential group prior to the next elections. This presumes an active behavior on the part of the BSP toward the DPS. Such

relations involve problems and conflicts. However, they are necessary in order to protect the immediate interests of our electorate, neutralizing the sabotage by the SDS in the parliament, and blocking dangerous trends in the local self-governing authorities and local administrations in mixed districts.

The existence of new parliamentary groups caused by the number of deputies who have left the SDS is already a fact. Their political surfacing is heterogeneous, variable, and not entirely clear. At the present stage, they are united mainly by their grave conflict with the SDS, their aspiration to preserve the parliament as long as possible, and their desire to become a lasting feature in the dizzyingly changing Bulgarian political kaleidoscope. We must not forget even for a moment the possibility of the 36th Ordinary National Assembly forming yet another cabinet similar to Berov's is related to these groups. To the extent to which this effort provides some real possibilities of implementing the idea of a programmatic government of national consensus, the participation of the BSP in the many-sided dialogue on such issues is absolutely imperative. Naturally, no mechanical "redistribution of the parliamentary space" can surmount the automatic regressive and confrontational inertia that developed after the elections. Such expectations are linked to the idea of national consensus only through an illusion. It is not the regrouping of deputies that will implement such an idea but legislation aimed at attaining the nationally consolidated objectives of the transition.

The nonparliamentary political, social, and trade union forces are in a stage of reassessment and reorientation. Problems on the attitude toward the authorities, eventual early elections, and potential allies are basic to the agendas of the nonparliamentary parties today. However, no clear answers appear on the horizon. The process of clarification has lasted for quite some time, and the nonparliamentary parties are losing their influence in society, electoral support, organizational structures, and coalition contacts. From this viewpoint, the next few months will be decisive for those groups. The active involvement of the BSP in this process is mandatory.

The trade unions as well find themselves in a complex situation. Dangerous efforts at dividing the trade union movement and subordinating it to party ambitions at a time when the trade union rights of the working people have been already maximally curtailed are being revived. An absence of clarity remains in relations between the two main trade unions, and conflicts are ripening on the subject of the government, reflected in a difficult system of social partnership. There are alarming recurrences of gross trade union interference in the cadre work of the government. While asserting the basic concepts of our trade union policy of active involvement in the activities of the trade unions, again and again we shall be seeking active and fruitful contacts with trade union leaderships on all levels.



The issue of a political partnership by the BSP with other groups is becoming increasingly topical. The BSP shall be seeking an answer to this issue, consistent with its identity and new attitude toward the administration. The BSP can and must strengthen its own influence among the broad social circles rather than concede it to frequently questionable partners.

This is a fully attainable target, for the dialogue between the BSP and its potential partners has already been restored. From this viewpoint, the party's political isolation becomes a thing of the past. However, we must clearly realize that the objective trends toward strengthening the positions of the BSP in political life could bring about a new unification against it, this time motivated by tactical rather than ideological considerations. This conceals a certain risk of restoring the bipolar political model that was harmful to Bulgaria and to the BSP. That is why our party interests and national responsibilities objectively require that we make use, as we have in the past, of all possibilities aimed at achieving a broad political partnership. The answer to the key problem of broadening postelectoral parliamentary cooperation should be sought in our contacts with the broadest possible circles of left-of-center, agrarian, trade union, social, and patriotic movements and groups. In this respect, our parliamentary coalition partners with their specific interparty contacts could be of substantial help.

#### The Issue of Early Elections

The country needs a new policy such as to resolve the grave issues facing society. The success of such a policy or its failure would determine the fate of any government and, therefore, of parliament. The crisis leads to the fast wearing out of governments, shortens the life of parliament, increases the social cost of the transition, stimulates the discontent caused by the slow positive changes, and objectively takes us closer to early parliamentary elections. In the next few months the SDS as well will be working ever more actively in favor of this trend by imposing its destructive extremist line and exploiting extreme populism ever more cynically. Under these circumstances, the BSP cannot appear as a helpless marginal observer of such a development, not only because it practically holds the key to elections but also because it has no reason whatsoever to exclude such elections *a priori*.

Claims that elections would halt the reform are superficial and unsubstantiated. It is not a question of holding elections any time at all, at all costs, and regardless of results. As an expression of social despair, elections become meaningless. However, when elections express social hope and confidence in achieving a change for the better, they become entirely natural and acceptable. This requires for society clearly to understand the contradictions that elections alone can resolve; the will to change; real alternative options in resolving the problems facing the country; and political configurations which can lead to the formation of the type of government that the country needs. In this the BSP is radically different from

the SDS and it most categorically rejects any effort to consider the two approaches as being identical.

In a situation of real pluralistic competition, early elections are not premature. They provide an opportunity for a real and lasting resolution of the political crisis and for the elimination of administrative absurdities that appeared along the so-called SDS electoral victory, based on the democratic vote by the electorate and not on parliamentary combinations.

Naturally, there is a real danger that the next parliament may turn out unable to form the type of government the country needs. This would bring about a deep social disappointment in constitutionalism, parliamentarianism, and pluralism in general. In today's extremely dynamic and confused political configurations, real parliamentary correlations, in the course of which the BSP and its coalition partners would become part of a broader, stabler, and durably ruling majority, are still not visible.

We could go on with the enumeration of possible arguments "for" and "against" the promotion of inevitable early elections. They must be assessed on the basis of each specific situation in accordance with the interests, values, and civil rights of our electorate; on the basis of priorities in terms of external and internal security and the country's sovereignty; in accordance with our principled position concerning possible resolutions of the political crisis—refusal to engage in a confrontation, and a search for a national consensus in order to practice the type of policy the country needs—or else hold early parliamentary elections.

#### Change Within the Party

The party's accountability reports and elections were an important stage in the change within the BSP. They were held under unusual complex circumstances. There was great apprehension that because of the brutal pressure applied on the party they could become a reason for withdrawal from active party involvement and for a dislocation of the party's structure. The accountability and election period was marked by acute discomfort in party life, not least triggered by the difficulties brought about by the crisis that painfully affected the tremendous majority of its members and sympathizers. We began at a time when the party was being deliberately and brutally pushed out of the active area of social life with the full power of the state machinery obeying a political assignment. Most of the meetings and conferences were held under the conditions of a lengthy, profound, and dynamic governmental crisis. The accountability and election activities were concluded in a period during which the party had become the leading political force in parliament, with increasing possibilities for influencing the executive branch.

The complexity of making an analysis under such circumstances is obvious. Additional difficulties were caused by many echoes of the immediate and more distant past of the party: the still extant administrative

syndrome and unclear opposition status; negative inertia in the work with the trade unions, the youth, and the workers; and recurrences of centralism and the inability to involve itself in local politics.

Despite these difficulties, the accountability reports and elections became a major fact in the life of the party. They did not remain unnoticed by society. Their most important results may be reduced to the following:

1. Even despite such most difficult conditions, the BSP proved to be politically stable, morally strengthened, having outlived most of its collective guilt complexes, and having surmounted fear and rigidity.
2. The BSP proved that it was capable of efficient political action even without the immediate focal point of parliamentary or local elections.
3. The party displayed much greater pragmatism, balance, and tolerance in debates than ever before, with an intensified critical attitude toward party leaderships, the ability of the party organizations to act, activities in central and local authorities, the party press, and the making of organizational, ideological, and propaganda errors.
4. The accountability reports and elections proved unequivocally that the party is emphasizing not only efficient political actions in the implementation of its line and pragmatic developments of our alternative in the transition, but also a greater ideological clarity in the basic features of democratic socialism and the contemporary left. Obviously, the conference must critically evaluate the course followed so far in the BSP ideological debate, and give it an impetus in drafting the new programmatic plan which will guide the party until the next regular congress.

#### **BSP Membership and Organizational Structures**

By the end of last year, the BSP had 380,000 registered members in 10,000 primary party organizations throughout the country, a leading position in parliament and in most local governments, and stable positions in the electoral leanings of the people. The intelligentsia is strongly represented in the BSP. The BSP numbers more than 100,000 people with university training, 500 doctors of sciences, 2,000 candidates of sciences, and many noted people in the field of culture.

At the same time, however, in some one and a half years, the BSP has lost 100,000 members and 3,000 primary organizations, mainly those based on specific interests. In some townships in mixed areas the party structures are no more than symbolic. These are facts which demand a complex evaluation of the status of the membership and the organizational structures of the BSP.

Sixty percent of the party's membership consists of people in their active life group—under 60. However, in the past year and a half there has been a both absolute and relative decline in BSP membership in the areas where social activeness is the highest—among young people under 35, workers, peasants, the intelligentsia,

white collar workers, and students. Although insignificantly, the share of unemployed, pensioners, and private entrepreneurs has increased. The obvious explanation of this phenomenon—the difficulties of a crisis unbearable to the working people, fear of dismissal for political reasons, and a general avoidance of politics—may be absolutely accurate, although insufficient. Since with such a dynamics of the membership and the organizational structure of the party its political influence has been retained and is strengthening, it is clear that the problem lies not in the membership but in the nature of party work. The party must be most active wherever the leading social processes take place: in production, administration, education, science, and culture. Such activities must be in harmony with these processes.

Directly related to this problem is the worrisome condition of party organizations based on specific interests. It is obvious that without active participation in the resolution of the trade union, social, and professional problems of their collectives, such organizations lose the reason for their existence and perish. The closing down and restructuring of hundreds of enterprises, and long layoffs erode organizations based on specific interests, and their members do not find an adequate way of rejoining party life in their new difficult status of permanent or temporary unemployment. The reasons should also be sought in the objective difficulties of organizing party life in the villages and in the mixed and mountainous areas.

The party at large is not suitably appreciating the importance of enrolling young members and attracting young sympathizers, although this is the most important prerequisite for its political, cadre, and organizational reproduction. Unresolved issues concerning youth topics in party work, the participation of young people in political activities on all levels, and a youth style in the political behavior of the party remain. Such problems may not be reduced merely to the condition of the youth organizations that are either allied with or gravitate toward the BSP. It is a question of the place of young people within the party itself. This is an issue to be resolved by the conference, which must give it a specific impetus. The party must earn the trust of young and enterprising people, and of town and country working people, for this will ensure a strong support and will reliably guarantee the implementation of its ideas and programs.

We must especially raise the issue of motivation for BSP membership. We could clearly say that BSP membership based on mercenary motivations is a thing of the past. Furthermore, in the past year and a half this has largely become a question of individual courage. The reasons for BSP membership have now become qualitatively different and largely guarantee its transformation into a new party. The task that faces us is to develop a motivation for involvement with the BSP of people in their active creative age, who represent the future of the civil society and the party.

#### **The Status of Party Leaderships**

In the past year, the elected party activists and deputies, township council members, and mayors elected with the

red ballots waged an exceptionally difficult battle and achieved major political results under extremely hostile circumstances. The township conferences properly valued their efforts. They reelected 80 percent of the chairmen of the township party councils; they updated and rejuvenated their plenary membership, co-opting within them educated and prestigious people in the active age group, involved in the most active social areas.

The Higher Party Council elected at the 40th BSP Congress, worked actively and rhythmically during the past year. It held 19 meetings in 15 months. It discussed all most important issues of the political situation and the party's tasks and adopted exceptionally responsible resolutions. The help it received from its six specialized commission proved insufficient.

The Executive Bureau of the Higher Party Council successfully used existing opportunities for combining development and organizational functions in its work. However, it also allowed unnecessary improvisations, inefficiency and delays in resolving major issues. One of the reasons for this was the underutilization of the potential of left-wing intellectuals and cadres with great administrative experience. There was no full coordination in the use of the substantial personnel, intellectual, information, and propaganda resources of the parliamentary group. Their combination with the possibilities of the BSP as a mass party were and will remain a powerful tool in the hands of the party and parliamentary leaderships. Separating them and pitting one against the other, conversely, led to weaknesses in party and parliamentary work.

Furthermore, a unified party policy requires unified political action. Today we are facing the issue of optimally coordinating political activities within the party and the executive branch, in the center and in the local areas, in the mass information media, in public activities, and in interparty contacts at home and abroad.

Taking all of this into consideration, we have reasons to state that, as a whole, the party leaderships coped with their difficult mission during an exceptionally difficult period for the party. The Higher Party Council and the Party Control Committee have the potential for properly dealing with the problems that will face the party in the future, without necessitating a particular change in their structure, in accordance with the possibility as stipulated in Article 41 of the BSP bylaws.

Regardless of the difficult circumstances in which the BSP found itself in the period following its 40th Congress, change within the party did not come to a halt. Through specific political actions, the BSP proved to the Bulgarian society that the ideas of change are not meaningless statements and that this process is developing and is irreversible.

In the past year, however, the insufficient depth and scope related to this process, shift of emphasis, and lack of interest were manifested as well. All of this leads us to believe that the year was not used maximally for purposes of change. The new political map of Europe, the crisis in the world leftist movement, the events in the Balkans, and the intensification of the crisis in Bulgaria are factors, the mere mention of which confirm unequivocally that today it is imperative to continue to make changes in the BSP. This is still not being accepted and realized by some party circles. The profound ideological changes ratified with the BSP Congress resolutions continue to be quoted without inner conviction. This is assisted by some processes within society.

Following the collapse of the SDS administration that, for a while successfully monopolized the very idea of change, the SDS became seriously discredited in the public mind. This objectively strengthened the nostalgic and even restorative moods throughout society. Its main bearers are people belonging to either end of the political spectrum. They substantiate their appeals for a return to 1939 or 1989, making use of their moral advantage as victims of political repressions "before and after the 9th" or "before and after the 10th." This has had some effect on society and the party. However, it should not be dramatized. The overall BSP policy over the past three years allow it to state with full justification that going back is impossible and that there is no substitute for change.

Over the past year the BSP continued actively to draw on the fundamental sources of its ideological change through an active scientific reinterpretation of the party's rich history and the strengthening of everything valuable it includes.

The increased intensification of our ties with the Socialist International and with the parties belonging to the European and international left were not an off-and-on campaign but a long-term line which could provide an important incentive for BSP renovation.

We shall continue to broaden our ideological horizon mainly along the line of some new social, ecological, and other movements that are becoming increasingly important in the political life of the old continent.

The Bulgarian Socialist Party will make a decisive contribution to the resolution of the crisis and the peaceful transition to a democratic, social, and law-governed state!

This is equally confirmed by our draft plan entitled "Prospects for Bulgaria."

This will also be confirmed by the future programmatic documents of the party that will result from the ideological debate to which we must provide an incentive today!

The best proof will be provided by our practical activities!

### \* Causes of Low Industrial Productivity Detailed

93CH0588D Budapest NEPSZABADSAG in Hungarian  
21 Apr 93 p 21

[Article by Sandor Kopatsy: "The Seven Plagues on the Hungarian Economy. Small Output Causes Great Shortage"]

[Text] *Hungarian industry was confronted during the past five years with financial requirements that would have ruined the big business sector of any developed capitalist country in the world. Seven plagues were visited on Hungarian industry, and any one of them by itself would have caused a serious recession, Sandor Kopatsy contends. The noted economist's essay, entitled "Seven Plagues. The Causes of the Decline in Hungary's Industrial Output," is the subject of today's professional debate at the Fiscal Research Corporation.*

#### First Plague: Termination of Subsidies

Since continual fiscal interventions, subsidies and tax concessions during the two decades following the 1968 economic reform had made economic perspicacity increasingly difficult, terminating them was unambiguously favorable. But the ending of subsidies was used merely to narrow the state budget's deficit. It did not occur to anyone that the termination of subsidies was depriving the large industrial enterprises of nearly 200 billion forints, just when fundamental shifts in demand on the domestic and foreign markets required costly restructuring; the resources for which should have been increased rather than reduced.

That was when both the government and the opposition, as well as the international monetary agencies and the IMF in particular, committed their first fatal mistake of wanting to achieve a fundamental restructuring of the Hungarian economy, and within it of Hungary's large-scale industry, amidst fiscal constraints. When more resources were needed for restructuring, they were drastically curtailed through a series of measures. That is when we embarked on a policy of using up our assets. As a result of that policy, we have lost during the past five years several hundred billion forints' worth of assets that could have been put to good use.

#### Second Plague: Administrative Suspension of Export

The suspension of export to the Soviet Union significantly accelerated the process of using up the economy's assets and resources. The collapse of our Eastern markets, on which great emphasis is now being placed, was essentially a result of our peremptory intervention, which at the time occurred with the complete mutual understanding of the government and the opposition. Before the decision was made, however, the following considerations should have been weighed:

- What would the enterprises do if their export was suspended? For it was obvious already then that their idle capacities could not be put to use for a long time to produce something else.
- How much could be saved by suspending export? It would have turned out that we would have come off

well even if we had received payment for only a third of our export. Because the profit on it is high, and so is the overhead cost that must be borne even when nothing is produced.

- How much revenue would the state budget lose as a result of the suspension of export? For the "experts" are concerned only with the losses that can be eliminated; they fail to take into account how much revenue would have flowed into the state budget, in taxes and social-insurance contributions, from the enterprises concerned and their suppliers.
- How much do the international capital markets value our presence in the markets of the successor states? Because foreign partners are interested primarily in gaining access to Eastern markets through us, interest in many of our enterprises has shrunk to a fraction of what it used to be before.

#### Third Plague: Taxing of Fictitious Inflationary Profits

The Tax Law did not permit a realistic revaluation of assets, and therefore depreciation charges shrank increasingly to a fraction of what was warranted.

#### Fourth Plague: False Approach to Enterprise Assets

In the course of transforming enterprises, only the net value of their assets could be taken into account and used as a basis for computing depreciation charges. Even after transformation, therefore, the depreciation charges could not attain a realistic level. That was a blow which would have brought even a healthy economy to its knees.

#### Fifth Plague: The Bankruptcy Law

Not just the government, but also the opposition feels that it is harmful to keep loss-making enterprises in operation. But this holds true only if payments to the government are low, and if the capital and manpower of the closed enterprise can be used more efficiently elsewhere. In Hungary, however, the payments exacted by the government are high. Furthermore, such payments are a cost only at the enterprise level; at the level of the national economy they are revenue. From society's point of view, therefore, every enterprise is profitable whose losses are less than the total of the taxes, social-insurance contributions and customs duties the said enterprise pays into the state budget. Most of Hungary's loss-making enterprises are such. Moreover, the manpower of an enterprise that is closed down merely adds to the number of unemployed workers, and most of its capital is lost for good. But bankruptcy has yet another harmful effect: the payments to the state budget by the closed enterprise's suppliers also cease.

#### Sixth Plague: High Interest Margin

While the enterprises' return on their operating capital is negative, the rate of interest they must pay on their loans and credits is between 10 and 20 percent. In other words,



the real interest the enterprises pay exceeds by that much the approximate rate of inflation affecting them. As a result, the enterprises' resources have been suctioned off to the banks. They in turn earned large profits, which they have partly spent, and partly have used to pay large dividends into the state budget. But the enterprises' resources are about exhausted. The number of bad loans is increasing, and it is only a question of time before the banks will follow the enterprises into bankruptcy.

#### **Seventh Plague: The Forint's Appreciation**

The rate of inflation included in our domestic price in recent years has been higher than in the forint's exchange rate. The significant results achieved in export, despite this appreciation of the forint, can be attributed to the fact that shrinking domestic markets and the suspension of export to Eastern markets compelled the enterprises to export even at the cost of using up their assets. They realized that a further curtailment of output would be more costly than the continuation of loss-making production.

#### **Conclusions**

Each of the above seven plagues in itself would have been lethal for Hungarian industry as a whole, and especially for the large industrial enterprises that are unable to evade the burden of payments into the state budget. The combined effect of the seven plagues is that the ability of the large industrial enterprises to generate national income has been nearly halved in five years; and their market valuation is at best only a fraction of what they were worth before the change of political systems, but in general they have become worthless. And their future is even gloomier: their financial situation and technical state are deteriorating further, and the majority

of their employees must fear for their jobs. While wanting to privatize state assets, within a short span of a few years we used up those assets to such an extent that at present the market value of the enterprises is practically zero, because they are worth even less than what they owe. Indeed, even if their debts were canceled, they would still be unable to preserve their remaining assets.

What must be done to put industry back on its feet? In my opinion, the level of capacity utilization must be raised by at least 30 percentage points. The unemployment rate must be reduced to at least 5 percent. The rate of value-added tax must be raised by at least 5 percentage points, to enable entrepreneurs to prepare their financial statements under realistic conditions. Wage-commensurate charges must be reduced significantly. And statistical methods must be introduced that are conducive to economic perspicacity and provide proper guidance.

The decisionmakers' response to my suggestions has always been that these measures would worsen the state budget's situation to an extent that neither the domestic nor the international financial world would be able to tolerate. That is only seemingly true. The cause of the budgetary deficit is not insufficient tax revenue, but the low level of production due to high taxes. The inflation is being caused not by runaway incomes or a huge budget, but by the unprecedented curtailment of output. The welfare state can be maintained only at a high level of capacity utilization.

With the biblical seven plagues, the Lord punished a nation that was holding a smaller one in captivity. These seven plagues afflicted us when we were freed from captivity. It was not the Lord who visited them on us; we brought them on ourselves. And it is not the Lord who has to help us; we have to help ourselves.

**\* State Administration Reform in 1995 Foreseen**  
 93EP0249A Warsaw RZECZPOSPOLITA in Polish  
 26 Apr 93 pp 1-2

[Article by Renata Wrobel: "No One Believed in the Gminas, Either: The Administrative Reform"]

[Excerpts] In January and February, it was publicly announced that the assumptions for reforming the public administration would "soon" be considered by the government. Then nothing more was said about it. But now the third or fourth version of those assumptions is being mentioned, and the Council of Ministers is to take up the issue next Tuesday. Perhaps the time for this reform has finally come, unless the announcements made in the past few months are merely rhetorical formulas. [passage omitted]

**Not My Table, Sir**

When gmina local governments were first set up in 1989 and 1990, that clearly was just one of the first steps in restructuring the government administration, because many matters of a local nature still remained within the purview of that administration. Such matters should be the province of the local governments, but they are still too big for their capability. In effect, in Poland, only 15 percent of public spending is by local governments.

"The completion of the local-government reform" has been predicted several times by Prime Minister Hanna Suchocka since she took office. Jan Rokita, director of the Office of the Council of Ministers, has often referred to the matter. The government indirectly confirmed this need by appointing a commissioner for administrative reform, Prof. Michal Kulesza. The parliament expressed cautious interest in the reform (the phrase "preliminary accord" might be too far-reaching) on tabling for further study, following its first reading in the presence of a few opposed votes, a motion calling for powiat-level local governments. Many academic and local-government constituencies have responded positively to the proposals for change. Despite these signals, the issue has come to a standstill, and the government and the parliament are reacting like a restaurant waiter ("Not my table, sir"), while waiting for each other to make the first move.

How did it happen? One can speculate. Perhaps political lobbying failed. (Kulesza from the outset viewed himself as an "expert" rather than a "political negotiator.") Or perhaps the government preferred to suspend discussion of certain sensitive issues—the reform being one of them—in order not to add to the perils menacing it, especially following its privatization defeat. Or perhaps it was true that, as Commissioner Kulesza claims, "I could have confronted the Council of Ministers with this dilemma as far back as last December or January. I already knew what I wanted, and, at that time, the ministers still had not realized that these reforms would curtail their powers. At present, they are more aware of

the nature of the reforms. Having them carried out earlier might have been politically attractive but less honest."

**The Discussion Is Getting More and More Difficult**

But, if the government is really serious about the reform, any further delay would be a tactical error. The opponents are closing their ranks, especially those who are merely protesting without wanting to discuss the issue on its own merit, because they interpret change solely as a threat to their own interests.

Declarations that are not followed by deeds cause people to suspect that something is again being plotted behind their backs. All sorts of rumors, none of them emanating from the Office of the Council of Ministers or the parliament, are circulating throughout the country and antagonizing local communities. The absence of sufficient information is causing many misunderstandings, such as the belief that the introduction of administrative divisions of the country into powiaty would curtail the powers and funds at the disposal of the gminas, or that, in large cities, there would be a duplication of local-government structures.

Soon now, the political climate around the reform may grow worse. So far, all of the bigger political parties, except perhaps the Confederation for an Independent Poland, have been showing a not disinterested moderation in the discussion of the reform, but this issue will soon become an element of the electoral campaign and thereby halt rational debate.

But even if these fears prove groundless, with each month it will be more difficult to adhere to a reasonable timetable for the changes (elections to powiat councils along with elections to gmina councils not later than in the fall of 1994, and the actual introduction of the new system, including new voivodships, slated to begin with the 1995 fiscal year).

Three or four years ago, no one believed in gmina local governments, either. People used to wonder, "Could we afford it?" and caution, "Let's wait until the situation stabilizes." But gmina-level local governments are now a fact, and they work, not without problems and mistakes but better and better, which is rarely mentioned in the press, because, as the saying goes, no news is good news.

The gmina governments, with their councilmen, village heads, and burgomasters, include many enterprising and wise individuals. (Let us bear in mind that, all over the world, local government is the place where aspiring politicians learn their profession.) Statistics shows that very few local governments tolerate deficit budgets. The gminas scrutinize practically every zloty before spending it. They subsidize the police, the hospitals, and the secondary schools, although, legally, they are not bound to do so. They have been successful in privatizing the bulk of retail trade, and they promote private enterprise in their areas. Recently, it was made public that regional audit chambers uncovered mistakes in the 1993 budget

resolutions of several score gminas. That is deplorable but not significant, considering that there are more than 2,500 gminas in Poland.

All of this provides arguments for broadening the somewhat pathetically termed "civic" sector.

**\* Critical Evaluation of Walesa's Presidency**

93EP0249B Warsaw RZECZPOSPOLITA in Polish  
17-18 Apr 93 p 3

[Interview with Zbigniew Romaszewski, senator and member of Movement for the Republic (RdR), by Ewa K. Czackowska; place and date not given: "The Lost Signpost"]

[Text] [Czackowska] Do you, like Jan Olszewski, the head of the RdR [Movement for the Republic], believe that Lech Walesa has brought about a moral and political crisis of the Presidency?

[Romaszewski] I think that is how it could be defined at present. When I voted for Lech Walesa, I thought much more could be accomplished than actually was. I thought he would be capable of bringing about a consolidation of the post-Solidarity constituencies, which, as early as in December 1990, had become somewhat estranged from each other. That was the principal reason I believed Lech Walesa should become president. The doctrine, originated by [Jerzy] Urban and continued by the Mazowiecki government, claiming that Lech Walesa should be treated like an ordinary citizen, was utter nonsense. It had seemed obvious that Lech Walesa should occupy some position in the structure of the government, if only because the public expected it, as the election showed.

[Czackowska] Do you think that, had it not been for the war at the top, the Solidarity movement would not have become fragmented into various political orientations?

[Romaszewski] Those divisions were bound to occur because of the existence of certain fundamental differences in social and ideological views that had to be articulated. Still, they could have been articulated on the ideological-political rather than on the personal-coterie plane. Because they took the latter course, a surge of insurmountable animosities arose, to the point that real national interest was relegated to a secondary place.

As for the crisis, it must be stated that the post-Solidarity constituencies have indeed become fragmented, so much so that nowadays they are being threatened by the consolidating postcommunist camp. There is no doubt that Lech Walesa has contributed to the consolidation of that camp. His crowning contribution was to appoint Mr. Pawlak [leader of the Polish Peasant Party] to the post of prime minister, and he has continued to help that camp to this very day.

When speaking of the moral crisis of the Presidency, I have in mind chiefly a kind of catastrophe that arose after the election of 4 June, when extremely serious

accusations of collaboration with the Security Service were made against the president. Those accusations hung in a vacuum. On the same 4 June, Lech Walesa wrote a letter in which he claimed that he had signed something; to this day, we do not know what it was he signed or what kind of related documents exists. The minister of internal affairs does not intend to make that information public. There does not exist any legal machinery for bringing out the facts in the case. I think that is a very serious crisis of power, considering that the possibility of a clear presentation of facts has been blocked, and, instead, invectives are being showered on not only the president but also on his associates, without any possibility of establishing the truth. Such a situation is intolerable. But it should be borne in mind that it also is Lech Walesa's fault. After all, the Presidency as an institution is not so utterly bereft of influence on the course of events. It is an institution with extremely broad prerogatives, especially as regards national security, but also as regards legislation. Yet no legislative initiatives have emanated from the Belweder on this matter.

[Czackowska] As I understand it, you are just as critical of Kaczynski [the leader of Center Accord] and his fellow politicians for having oriented their anti-Belweder campaign to the populist level.

[Romaszewski] I do not view that critically. I believe it is quite right to demand the resolution of certain matters that were disclosed as far back as nine months ago. Walesa was faced with accusations that in Poland are considered highly compromising, yet nothing was done to disprove them. Instead, the decision was made to wait them out.

[Czackowska] In view of that, should there be an early presidential election, as the RdR wishes?

[Romaszewski] In general, the nature of the system of government in Poland should be reconsidered. I think that a direct, popular election of the president in the absence of a clear concept of that system in Poland was a mistake. I must say that the most brilliant idea ever conceived by Kaczynski was the proposal that the presidential election be held by the parliament. Only after such an election were held would it be possible to crystallize ideas on how the Presidency and the government should function, and, thereupon, the Constitution could be refined and a decision made on whether we should have a presidential system with a popularly elected president or a parliament-appointed president acting as a representative of the nation and a mediator. That issue should be resolved on the basis of experience gained in seeing which system fits the Polish conditions better.

[Czackowska] But, as it happened, Mr. Kaczynski's idea fell by the wayside. In other words, we would have to wait until the end of the president's term of office to see how things stand, would we not?

[Romaszewski] It is difficult to reach any explicit conclusions because the situation is still very fluid. But,

indeed, some of the notions uttered by Mr. President are extremely dangerous and very destructive.

[Czackowska] What are you referring to?

[Romaszewski] I am referring to his idea of establishing a National Guard. Given the budget crisis, the establishment of a military formation of 32,000 guardsmen, armed with live ammunition and powerful weaponry, is unjustified. Excuse my question, but against whom would it be used? Does the Belweder camp believe in the coming public unrest and intend to suppress it with the aid of the National Guard? I see no other reason to propose a formation of that kind. Or perhaps the president intends to use that guard to hold on to power, contrary to the will of the nation.

I find just as disturbing the recent actions of the Ministry of Internal Affairs, which is to some extent linked to the president, in that he is responsible for national security. That concerns matters relating to the surveillance of opposition groupings—the notorious Instruction 0015—the demand for broader operational powers by an institution that is outside the control of the parliament.

[Czackowska] Do you mean to say that the president may be a threat to democracy?

[Romaszewski] A president relying chiefly on the military and lacking the concept of a democratic state may become such a threat. But the fundamental issue is a coherent concept of the Presidency. The past two years have demonstrated the absence of such a concept. A couple of ideas were proposed, but they were chiefly reduced to personnel shifts, and there occurred some confrontations with the government, with Jan Olszewski, and, at present—though in a not too coordinated manner—with the government of Ms. Suchocka. But the principal planks of the program presented by Lech Walesa during the election remain not only on paper only but also in half-baked form. The Z100 million was jacked up to Z300 million; what that means we do not know. A Presidency with a clear vision of reforms and desirable political changes is one thing, but a Presidency that does nothing other than bring about some personnel shifts and wants to participate in some superficially interpreted governance is another.

I realize how difficult it is at present to be the president and exercise the duties of one's office in a time of changes. The diversity of the new solutions that have to be applied is simply overwhelming. One could be gripped by a feeling of impotence, of floundering, of being torn between pro and con.

The problem is not the unknown or the impossible. The problem is the awareness that something is unknown and cannot be accomplished. I think the greatest problem of Lech Walesa's Presidency is that he has somehow lost his bearings and is proceeding on a road without signposts.

[Czackowska] You claim that the president did not and does not have a concept of the Presidency, but what model, in your opinion, has he created or is creating?

[Romaszewski] I think that the first two years of his Presidency, or at least the first one and a half years, were characterized by an avoidance of decisions. Lech Walesa was not quite certain whether he wanted to govern and to be a president governing the country and, hence, representing certain interest groups, certain definite political ideas, or whether he wanted to be the president of the entire country, a mediator in disputes and conflicts, and, hence, not a ruling but a mediating president. He finally arrived at a decision on that matter only after the June parliamentary election, when he resolved to govern after all, as reflected in the so-called Small Constitution. It has to be realized that governing means dips in popularity and, of course, confronting an opposition. By representing a particular political concept, one represents particular political forces. The larger and the broader such forces, the better.

[Czackowska] In your opinion, which forces does Walesa represent at present?

[Romaszewski] In his desire to become president of the entire nation, President Walesa abandoned his Solidarity worker base. I believe that the base of public support for Walesa is rather constricted and public opposition to his personality rather broad.

[Czackowska] How do you view the president's new political offensive, which appears to ensue precisely from the model of the Presidency he has chosen?

[Romaszewski] I would like to know the purpose of that offensive, the vision of Poland held by Mr. President, the goals to be pursued because they have not been clearly defined. Time after time some slogans are proclaimed: NATO-bis [Poland's associate membership in NATO], EC-bis [Poland's associate membership in the European Community], Z300 million. But they are only slogans and do not offer clear prospects, a clear concept, of the national reform.

[Czackowska] Lech Walesa predicted that the third year of his Presidency would decide which model of democracy is to prevail: parliamentary or presidential. In your opinion, is the latter scenario likely?

[Romaszewski] Something like that may come true because the political chaos existing at present in the parliament is indeed all-encompassing, and the fundamental interests of the state are often being subordinated to group interests. And where two quarrel, a third can readily profit. Some of the political parties will try to flirt with the Belweder.

[Czackowska] Mr. Senator, how do you evaluate the first two years of Lech Walesa's Presidency?

[Romaszewski] Not so well. I believe that during that period the president's role was not what it should have been—that is, uniting and cementing the nation. Instead,



it was rather destructive in the sense of undermining the government's authority and damaging the authority of the parliament, which itself did everything it could to forfeit that authority. I consider it weird on the part of the president to have suddenly accused the parliament last December of tolerating miners' strikes, while the deputies and senators were away for the holidays. But what could the parliament have done at that time anyway, considering that the president himself failed to use his powers of legislative initiative to propose pertinent laws to it? It seems that at that time the president drafted no law whatsoever and, instead, stayed home. That really messed things up. That also applies to the Charter of the Rights of Man. Why is it that at a time when we are to write a new constitution that fundamental bill of rights is being fragmented into dozens of smaller bills?

[Czaczkowska] Meaning that the Belweder's powers to initiate legislation are being improperly utilized, right?

[Romaszewski] Above all, they are hardly being utilized at all. Such initiatives can be counted on the fingers of one's hands, and, taken together, they do not reflect any coherent concept of governance.

[Czaczkowska] Yet, Lech Walesa is claiming that the political elites are strewn his path with obstacles.

[Romaszewski] That, too, is damaging the authority of other institutions. Shoring up one's own authority at the expense of the authority of other institutions is far from a confidence-building endeavor.

#### **\* Trade Opportunities With Southeast Asia Viewed**

93EP0248A Warsaw RYNKI ZAGRANICZNE in Polish No 46, 17 Apr 93 p 8

[Article by (AK): "Many Opportunities for Good Business"]

[Text] Deputy Prime Minister Henryk Goryszewski is going to visit three Southeast Asian countries: Malaysia, Singapore, and Thailand. All of these countries play important roles in our foreign trade, and their dynamic development, the rapid modernization of their economies, and their substantial participation in international trade dispose us to tighten the bonds that already exist and expand our present economic cooperation by new fields.

Our most active economic relations are with Thailand. Poland is its chief partner in Central and Eastern Europe. Our trade with this country already totals \$500 million, most of which is Thai goods. Textile products make up most of our import. We also import electronic articles, coffee, rubber, cosmetics, footwear, products made of plastics, and toys.

In Poland's export to Thailand, products made of iron and steel and chemical products predominate. In addition, we sell them electric motors, light bulbs, bearings, machine tools, utility installation tools and materials, and farm products: powdered milk and potato flour. Growth of our import is impeded by strong competition from suppliers from Southeast Asia, capital and technological ties linking Thai producers to the highly industrialized countries, and the inability to supply Polish goods on credit.

A positive sign is the larger number of direct contacts between businessmen from both countries and frequent trade missions. At the government level, attention has been concentrated on the exchange of economic information because it has been determined that it is especially important that it be improved and expanded. That was voiced by the Thai deputy minister of commerce, Phaithun Kaeothong, during talks held recently in Warsaw.

The logical consequence of the large number of turnovers is the growing interest of businessmen in Thailand in making further profits by starting up production of some articles in Poland.

Both sides agree that there are considerable possibilities for the flow of Thai capital to our country. The Government of Thailand is considering the possibility of organizing a promotion center in Poland in order to seek future joint-venture projects.

The Thais also expect that Polish export will be increased. As Deputy Minister Phaithun Kaeothong said, larger amounts of chemical products and machines could be sold in his country, as well as perhaps airplanes and military equipment.

The possibility of undertaking joint ventures on the markets of third countries, in both Central and Eastern Europe and the former Soviet republics and Southeast Asia, is very interesting.

In Malaysia, Goryszewski will return the visit of Deputy Prime Minister Abdul Ghafar bin Baba, who visited Poland in the fall of 1992. Turnovers with this country are estimated at \$25-30 million, with some surplus of our import. In Polish deliveries, which differ from the standpoint of assortment but are relatively small from the standpoint of quantity, products from the electrical machine tools, wood-pulp, and chemical industries predominate. Import of Malaysian goods consists mainly of electronic articles, palm oil, tin, and rubber.

Malaysia is regarded as a reliable partner, particularly in light of its praiseworthy economic achievements and increasingly strong position in international trade.

Our export, just as to Thailand, is made difficult by strong competition, ties to foreign capital, and an ability to deliver on credit. But Polish firms are attempting to increase the activity on the Malaysian market—for

example, by attempting to take part in the fairs organized there. Cooperation between the chambers of commerce in both countries is also helping to promote more trade.

Despite some difficulties, both the Malaysian and the Polish sides are declaring their desire to increase commodity exchange, and there is much to indicate that there are real possibilities for such growth.

The third of the visited countries, small Singapore, is a very important international center of trade as well as of finance. Commodity turnovers with this country total \$160 million, in which our purchases exceed export approximately twofold. The characteristic feature of this trade is the large share of deliveries sent through Singaporean firms to other East Asian countries and from countries of this region through Singapore to Poland.

In our export, the significant items are chemical products, electric motors, glass, copper articles, industrial and inspection-measurement fittings, paper articles, and tapestries. Polish firms are buying the following goods in Singapore: rubber, vegetable oils, electronic equipment and subassemblies, household electrical articles, textiles, and clothing.

The past two years brought a perceptible growth of turnovers, the result of greater activity on the part of both Polish and Singaporean firms. Also of great importance is the growing attractiveness of Singapore as a supplier of electronic articles and the growing absorptive power of its market for Polish goods. Two Polish-Singaporean firms that have their headquarters in Singapore also play a significant role in mutual trade.

Relations with this country may expand into new fields by the possible formation of joint ventures in Poland. The possibilities in various spheres of economic activity are being examined by both sides. The use of Singapore experience in managing commercial enterprises cannot be excluded as well as the creation of a trade information center in Warsaw to service mutual trade and expand it on the markets of third countries.

It should be added that existing contract ramifications create suitable conditions for the successful development of trade and wide-scale economic cooperation between Poland and the three Southeast Asian countries. We have trade agreements with those countries that contain a most-favored clause and aviation treaties. Our planes fly to Bangkok and Singapore, and the launching of flights to Kuala Lumpur is a question of technical coordination. There are also waterway connections.

In addition, there are contracts in effect with Malaysia and Thailand on the avoidance of double taxation, and with Thailand on the support of investments. Another step in the direction of facilitating mutual economic relations will be the signing of agreements during Henryk Goryszewski's visit—with Malaysia, providing for the support and protection of investments, and with Singapore on avoiding double taxation.

### \* Not Enough Money Allocated to Military Industry

93EP0248B Warsaw ZYCIE GOSPODARCZE in Polish No 15 11 Apr 93 p 5

[Article by Edward Wrobel: "A Question of Time"]

[Text] *After last year's revolts by work forces in the weapons plants (including aircraft), after the professional reports and opinions of experts, filled with concern about the worsening state of this sector, after pressure from the Sejm, and after the alarmist articles in the mass media, the government felt compelled to announce its plans in regard to the military industry.*

As we know, 28 of 80 enterprises were to have been put under the care, mostly capital-financed, of the state. Those enterprises should obtain company status, and, in 10 of them, the state reserved 100 percent of the shares for itself and, in 18, over 50 percent. Next, after debt-clearance, in six branches of the special sector holding companies will be established. The rest of the plants are supposed to cope by themselves or declare bankruptcy.

Furthermore, the government has committed itself to buying weapons and equipment for the armed forces from domestic producers, paying them what is due them by virtue of their maintaining their manufacturing capacity in mobilization status, and limiting the so-called negative list in export.

### Nothing New

This has removed the heat temporarily, and the representatives of the "S" industry, brimming with goodwill, bought all of this and are inclined to believe (as they say) that the decisionmakers have understood the political, military, and economic importance of the weapons industry. In any case, in the interim, conflicts appeared in the metalworking industry, in coal mining, in the Walbrzych and Lodz regions, which, for a certain time, eclipsed the troubles in the defense sector.

But the present calm is very ostensible. The managements are recording falling economic ratios and rising indebtedness figures, and the work forces remain in constant readiness to strike.

The experts say that the state of the weapons enterprises in Poland is worse than is generally believed. What this state really is we do not know because the real figures, including the statistics, are secret, and not many people have access to them. Naturally, the object is not to reveal them publicly, sow defeatism, and tempt others by our weakness, but to make the true picture known not only to a narrow group but also to people who are able to find a way out of the impasse.

Time is passing and the government plans to restructure the defense sector have not really gone beyond the sphere of intent. One thing that happened was the signing by the prime minister of a Council of Ministers' resolution on the transformation of the Bumar-Labedy Mechanical

Equipment Complex into a one-person state treasury company. In practice, that changes very little, especially because that complex is coping with its debt itself after making a successful deal with more than 700 creditors. But Labedy is an exception.

As far as the other intents of the government, inertia prevails. Declarations still have not been followed up with detailed cost analyses or sources of financing.

What is worse, the Sejm decided what the expenditures for defense in the state budget for 1993 would be, as if they had no connection with the plans to restructure the special sector (it contains not one zloty for this) or with the most important (despite the previously displayed concern) needs of the Army. And, let us add, those needs are accumulating dangerously because the urgency to supplement basic stocks (spare parts, new equipment) is becoming more compelling, post-Soviet firing ranges and equipment are waiting to be taken over, and, after all, we have to move almost one-third of the entire Army to the eastern part of the country, and the cost of moving a single division exceeds 1 billion zlotys [Z]. Also, existing buildings must be adapted or new ones built, with all of the indispensable infrastructure.

The state budget, the main and actually only source of financing military needs, is extremely unfavorable in 1993 for the armed forces. The Ministry of National Defense (MNO) will receive Z30.8 trillion (Z25.7 trillion last year). The share of military expenditures in the budget is only 6.6 percent, and slightly over 2 percent of the GNP [gross national product]. Available comparative figures (with neighboring countries) indicate that we may find ourselves below the margin of safety.

#### Panel Strategies

In the opinion of one of the participants of the "Economy-Defense" conference, arranged recently in the Central Planning Office, the low, or actually negligible, interest in problems relating to defense, not only in the economic and scientific spheres but also in the political ones, is disturbing. This pertains to parliament, the government, and the political parties. The absence of a direct threat has apparently lulled them to sleep. Political leaders are not looking toward the future but living for today alone, and, yet, decisions of a defense nature demand the right perspective. There are already signs that presage the end of the idyll in international relations, and, with the expected mass flow of hungry and determined people from the East, the Polish state must demonstrate the appropriate mobility and strength.

In this state of affairs, the experts are asking whether it is right that the military should pay duty and a 6-percent border tax on imported weapons and equipment. They are also proposing that products of the domestic weapons industry and military services not be burdened with a value-added tax.

They also call attention to the disastrous, from the standpoint of the country's defense capability, internal

structure of the expenditures of MON [Ministry of National Defense]. Out of Z30.8 trillion for defense, Z41 trillion goes to maintain personnel and only Z3.3 trillion to purchase technical equipment. Or, to put it differently: Fixed costs amount to 75 percent (of which personnel expenditures make up almost 60 percent), while approximately 10 percent of the funds are allocated for armament and 0.1 percent for scientific research. During the past four years, MON orders in the domestic weapons industry fell tenfold.

It is true that Polish enterprises, on their own, are preparing some innovations and can even boast of some achievements (an infantry combat vehicle, a fighter-bomber, the PT-91 medium tank). But do those prototypes have any chance (and where) to be put into serial production, to be supplied to the Polish Army and possibly make it to the international markets? Furthermore, we know that Western priorities already include a small-scale electric power plant, composite structures, modular avionics, an electric-arc spray gun, artificial systems, satellite reconnaissance, underwater vision, and similar technical means.

During the above-mentioned "Economy-Defense" conference, a two-round panel presentation was made, in which very-high-level officials of the government and the National Security Office (BBN) took part. Each of the participants demonstrated obviously his own prescription for strengthening the defense potential of industry and the military: Clear boundaries should be delineated in the special sector between a market economy and state protectionism; production should be made 50 percent "civilian"; plants should be relieved of debts; the military should be enabled to purchase, even for reserves, equipment that does not meet the highest technical standards; the principle of thinking cohesively about the economy and defense should be inculcated; a reliable assessment of the state of industry and the Army should be prepared and, on the basis of it, an orderly program of government action should be developed; and military cooperation should be established and industrial coproduction with the West undertaken.

It was stated almost unanimously that, "if the problems of capital are not solved" and "more money does not flow into the budget," nothing can really be done as regards restructuring, the restoration of economic balance to enterprises, or the placing of government orders with them. And, more, the political will must be made stronger and bold decisions made.

Therefore, the question arises: If the deputy prime minister sat at this table with the ministers and deputy ministers and the leadership of the BBN, to whom were the proposals, demands, and complaints addressed?

### \* Overview of Critical Financial State of Health Care

93EP0247A Warsaw GAZETA BANKOWA in Polish  
No 16, 16 Apr 93 pp 1, 42

[Article by Joanna Trepkowska: "The Price of Health"]

[Text]

- *The Insurance Premium*
- *The Family Physician*
- *Private-Like State*
- *The Hunt for the Manager*

Surgeons support radical methods of therapy. In contrast, internists, insofar as possible, recommend pills, elixirs, and various assistive methods. A similar division is observable among health-care reformers. The scalpel has been taken up by the team of experts of the Social Committee of the Council of Ministers [KSRM] and NSZZ Solidarity, while the internist-style cure for the finances of health service is supported by the interministerial task force directed by Deputy Minister of Health Marek Balicki. Both groups cite the good of the patients and of medicine as the principal argument decisive to selecting the proper approach.

The finances of health service have long been on the brink. Short-term remedies such as donations, money-box collections, voluntary payments, and contributions by grateful patients are of little help. They may provide a temporary financial rescue for individual health-care centers, but they in no way affect the ailing and inefficient system of the organization and provision of health care as a whole.

#### A Critical Condition

For the past few dozen years, the health service has been directly financed from the state budget. When competing with other domains of budget spending, whose effects are more spectacular, health has usually been the loser. In recent years, as the crisis of public finance became more manifest, all of the flaws of such a system for funding health care have come to the surface.

Although the health minister is responsible for planning the health-care budget, the amount of funds available is determined by the finance minister. In the budget of the Ministry of Health generally, various ways of cutting funds are explored; spending on staff salaries, hospital and clinic maintenance and facilities, and drugs is being reduced. Last year, spending on health care was slashed three times. Ultimately, 56.3 trillion zlotys [Z], of which Z30 trillion was for salaries, was allotted for that purpose from the state budget. Those funds are often provided only after considerable delays. The state budget's arrears for health care on 31 December 1992 amounted to Z3 trillion.

The voivodships owed the most were the Gorzow, Gdansk, Katowice, and Koszalin ones. This year, the government plans to spend Z67 trillion on health care

from the budget—that is, 18 percent more than last year, assuming an inflation rate of approximately 40 percent. Thus, it is not surprising that reformers of health service have long been trying to alter its system of financing. They are focusing in particular on having it funded from sources independent of the state's coffers. The most often made proposal is the introduction of health insurance.

#### In the Balcerowicz Style

The most drastic curative measure is being proposed by the task force of experts from the KSRM, or the Social Committee of the Council of Ministers, which has gained the support of the Sejm and Senate social policy committees as well as that of NSZZ Solidarity. It is to be Balcerowicz-style shock therapy. The government is no longer to administer and fund the health service; instead, there should be universal health insurance. At most, the government would henceforth have to subsidize about 25-30 percent of the health-care budget, mostly to partially finance scientific research at certain supraregional-scale specialized health centers, preventive health-care programs, and investment projects.

The funds for other operations—that is, for in-patient and out-patient health care—should henceforth derive from health-insurance premiums. Payment of the premium would assure eligibility for health-care benefits.

Family members of the insured who lack incomes of their own will be, like the insured, eligible for the same scope of health care. People whose incomes are below a specified lower limit—for example, the unemployed—will have their health-care expenses covered under the system for social welfare.

All of the insured will be bound by the principle of social solidarity, meaning that their insurance premiums will depend on their wages or salaries, but provision of health care hinges solely on need. Under that system, the particularly high risks involved in severe illness are distributed over a large number of individuals.

#### The Credit Union and the Premium

According to the KSRM proposal, universal health-insurance institutions should be established at regional and local levels. The national network should consist of a large number of credit unions, each serving 200,000 to 300,000 insured. The credit unions will settle accounts with clinics and hospitals for services rendered. State and private medicine will compete in quality and the cost of services. The premiums collected would be transferred directly to the individual local credit unions.

One-half of the health-insurance premium, amounting to 12-14 percent of the basis for reckoning the income tax, would be paid by the employee and the other half by the employer. Three different versions of determining the



insurance premium have been proposed. The first version considers the premium as the cost of obtaining income when determining the base for the personal income tax.

In the second version, the structure of the income tax would be altered. The third possibility consists of establishing a health-insurance fund, to which part of the personal income taxes would be transferred. The authors of those proposals are in favor of the second version and propose changing the tax rates accordingly to 10 from the current 20 percent, to 25 from the current 30 percent, and to 37 from the current 40 percent.

#### A Soft Landing

Combined financing of health care, from both the state budget and health insurance premiums, is also being recommended in the interministerial proposal drafted by experts from the Ministries of Health, Finance, and Social Policy, but at a slower pace. Its authors definitely opt for evolutionary solutions. They believe that the health service and patients are not ready for drastic changes. In their opinion, a too drastic transition from one health-care system to another would cause everyone to suffer.

The first step recommended by those experts is to isolate the management of the health-care system from the government administration. The ministry and its voivodship-level counterparts should focus on determining the overall health-care strategy. A public health service (public insurance institution) should be established as a decentralized institution for financial management and, in time, transformed into regional health insurance boards, in addition to a national board, to be subordinated to the Council of Ministers, which would distribute budget funds among the individual regions. Allowance would have to be made in this connection for demographic factors, areas of environmental pollution, the degree of urbanization, and the supply of health "services."

The basic structure of the public insurance institution should be the regional boards. They would handle de facto the distribution of public funds for financing health care. Each such regional board would conclude contracts with public and private health-care centers, and with privately practicing physicians as well. Each such board would cover an area inhabited by 1.5 million to 3 million people.

#### Two Pillars

One of the pillars of this system should be the family physician. It is he who, in principle, should meet almost all of the health needs of his patients. He should be familiar with several basic medical specialties: internal medicine, pediatrics, gynecology, surgery, and laryngology. The rules for remunerating physicians need to be changed so as to make their pay contingent on the number of patients under their care, and partially also on the number of services provided. The reformers propose

introducing on 1 January a per capita system for paying so-called first-contact physicians, which will allow for the above-mentioned factors.

The second main pillar of the thus-designed system is the health-service managers, individuals who would be qualified to properly manage the funds deriving from both the state budget and the insurance premium, at both regional and local levels. Presumably there would be problems in finding suitable candidates under either proposal for streamlining the health-care system. Efficient health-care management can be handled only by professionally trained individuals, people who should, above all, have backgrounds of training in the economics of health care.

Unlike the KSRM proposal, the interministerial proposal provides for a gradual transition to financing health care with health-insurance premiums. At first, such premiums would be used only to fund basic health care—that is, about 20 percent of the spending on health care. Everyone would pay this premium. The basis for determining its amount could be the same wage or income elements that are considered when determining the ZUS [Social Security Agency] premiums. It should be determined as a percentage, without progression. Its upper and lower limits might also be determined. As in the case of the competing KSRM proposal, part of the premium is to be paid by the employee and the other part by the employer. The collection of the premiums and the registration of the insured could be handled by local offices of the internal revenue service, ZUS, or, especially, established health-insurance services.

#### Primum Non Nocere [First, Do No Harm]

By now, the health service has been waiting more than a dozen years for its reform. The first proposals for streamlining its finances and introducing elements of healthy competition appeared in the early 1980's. But, in principle, nothing has changed since then. What is worse, the past three years also were wasted, despite the appointment of a deputy health minister responsible for health-care reform. It is thus hardly surprising that the numbers of supporters of drastic changes and resolute slashes are growing. But one should seriously consider the attendant shock to health care, patients, and the system of public finance. An overnight transition to the total funding of health care from insurance premiums would require an equally drastic alteration of the tax system and the establishment of a well-prepared network of credit unions or social insurance institutions as well as guarantees of the collection of the premiums. For it may happen that the introduction of the new system will result in a drastic decline in revenues for financing it. When analyzing the proposals of both task forces, the fundamental medical principle *primum non nocere* should be borne in mind.

#### [Box, p 42]

The health-care system funded from the state budget employs 679,000 people, of whom 89,200 are physicians,

16,600 dentists, and 202,000 nurses and midwives. The Polish indicators are comparable to those recorded for the countries of West Europe. Currently, the Health Ministry administers 668 general hospitals for 210,500 patients. There are 36,000 hospital beds for psychiatric medicine. Outpatient care is provided by 6,306 urban clinics and 3,311 rural health centers. The regional pattern of distribution of health-care centers in Poland is very uneven. There is also a major shortage of wards for the chronically ill as well as of certain specialist services. Last year, the state health service treated 267,246,000 outpatient cases, and hospitals treated 4,680,000 patients. So far, health service has been funded by the state. In the 1980's, spending on health care accounted

for 5 percent to 5.9 percent of distributed national income. That is a level close to that of the spending on health care in other countries of our continent in the years 1960-75. Currently, approximately 5 percent of Poland's GNP [gross national product] is spent on this purpose—that is, approximately \$110 per capita annually. For comparison, spending on health care in Great Britain amounts to 6.9 percent of its GNP, or \$972 per person, and, in Germany, 8.2 percent, which corresponds to \$1,486 per person. This year's budget earmarks for "health" Z67 trillion; inclusive of the related expenditures planned by the other ministries, that means approximately 2 million per patient.

**\* UDMR Deputy on Meetings With Budapest Parliament**

93BA0983C Bucharest ROMANIAI MAGYAR SZO in Hungarian 22 Apr 93 p 1

[Statement by Sandor Konya Hamar, parliamentary representative of the Democratic Union of Hungarians in Romania, by J. Ildiko Demeter: "In Important Issues We Expect To Be Consulted"]

[Text] Thirty-four of the 39 parliamentary representatives of the Democratic Union of Hungarians in Romania [RMDSZ] were guests of the Hungarian National Assembly for half a day. Sandor Konya Hamar, one of the secretaries of the house of representatives gave the following short statement to our paper: "We visited Budapest in the spirit of certain memories and a certain perspective. Several of us called the task assumed by the group of RMDSZ representatives the role of a bridge; I would rather call it a pier. We are talking about lacking a necessary bridge; about participating beneficially and consistently in relations between the two countries. We informed the Hungarian Government that in important issues we expect to be consulted and the preparation of decisions should happen in such a way that we would also be heard. This was the actual purpose of our visit. However, we also deemed it necessary to visit the Romanian embassy. Ambassador Donca praised us for this gesture; parliamentary delegations have never visited them. We asked him why visits by Romanian representatives were so rare. The ambassador said they were afraid that the visit would be reevaluated and they would be accused of a sort of treason.... We also had an information meeting with Speaker of Parliament Gyorgy Szabad and Prime Minister Jozsef Antall, and the original purpose, that is to say, the parliamentary aspect of the visit was concerned with improving the work of representatives. For instance, we obtained documentation on the minority law which is ready to be signed and the bill on sponsorship; we discussed the media law (there [in Romania] we have nothing like it yet). We obtained valuable information not only on Hungarian parliamentary traditions, but also on modern European practice; they possess documentation which we, unfortunately, do not yet have. We will definitely profit by all this in the future. We would like to maintain relations and also expand this work towards other parliaments.... We represented the Romanian parliament, as well, although the invitation was addressed not to the parliament, but to the RMDSZ. This has become known, and only the members of the Union Party made remarks to the effect that Hungarians from other countries were also invited.... However, that was not the same; it was a separate event in Nagykanizsa [Hungary] in which only Bela Marko participated, and not the whole group."

**\* Statement by Ethnic Hungarians in Moldavia**

93BA0983B Bucharest ROMANIAI MAGYAR SZO in Hungarian 23 Apr 93 p 1

[Text of undated statement issued by the board of directors of the Alliance of Csango Hungarians in Moldavia: "No Need To Look For a More Eloquent Example"]

[Text] A special topic on the agenda of the 17 April 1993 Leszped [Romanian name not given] meeting of the board of directors of the Alliance of Csango Hungarians in Moldavia was the statement Bishop Laszlo Tokes, honorary president of the Democratic Union of Hungarians in Romania [RMDSZ], made in the United States and in Hungary about ethnic groups in Romania, as well as the situation surrounding the new prefects appointed in Hargita and Kovaszna [Covasna] counties.

The Csango Hungarian population of Moldavia (...) feels that Laszlo Tokes, Reformed bishop of the Kiralyhago [Bucea] region, together with Mr. Bela Marko, president of the Alliance, represent the Alliance by safeguarding our interests....

(...) The assimilation of Csango Hungarians in the counties of Moldavia—the erosion of their ethnic identity, the negation of ethnic existence—is ultimately the contemporary stage of a historical process, and there is no need to look for a more eloquent example of "a sort of ethnic cleansing." (...) We deem it necessary to mention a few concrete cases which took place after the 1989 regime change, when the authorities took no positive steps to remedy the situation:

- The Bako county board of education did not comply with the request of parents and grandparents in Leszped to enable their children and grandchildren to have three or four hours of weekly instruction in the mother tongue.
- A group of students in Szabofalva [Romanian name not given] forwarded an appeal to the Ministry of Education requesting permission to establish a mother tongue circle in order to study the language spoken by their parents and grandparents. The consequences? An investigation by delegates from the ministry and the county board of education took place in the manner and style of the former Securitate....
- The Roman Catholic community of Pusztina [Romanian name not given] sent an appeal signed by 200 people to the Iasi Roman Catholic Bishop's Office with the request that one of the three masses held on holidays be held in their mother tongue. In Hungarian. The Pusztina community has not received a reply up to this day; on the other hand, already 10 days later Vicar General Duma Grigore held a series of intimidating hearings.

Analyzing the denationalizing efforts the Csango Hungarians of Moldavia have suffered throughout their history, our organization most decidedly subscribes to the statement made by Bishop Laszlo Tokes and regards it as born out in the case of Csango Hungarians in Moldavia.

If an ethnic group is divested of its intelligentsia, or they are brought up to be janissaries, if it is deprived of the practice of self-government according to distinctive traditions, if the leaders are not selected from among them, then the authorities accomplished the most important

step which in its final phase can be characterized as the disappearance of an ethnic group.

It is possible, or even likely, that we can only arm a small percentage of Hungarians in Moldavia with the knowledge which will allow them to consciously accept their Hungarian ethnicity. In the thirties, the number of Hungarians in Moldavia was estimated to be approximately 120,000. Today, only a few thousand dare vote for the representatives of the organization safeguarding

our interests, and thus manifest their Hungarian ethnicity. The first moment of this concealed ethnic cleansing, which can apparently be fended off, is the fact that Romanians, and especially anti-Hungarian Romanians, were appointed as the top officials, as prefects, even in our predominantly Hungarian counties. This we cannot accept.

We protest against such unjust measures. (...)



**\* Mitro's Appointment No Defeat for Meciar**

**\* HZDS Wins Important Office**

93CH0605A Prague CESKY DENIK in Czech  
22 Apr 93 p 5

[Commentary by Ivan Vilcek: "Another Position for the HZDS"]

[Text] The last vacant position in the state administration of the Slovak Republic [SR] was, until the beginning of this week, the job of director of the newly formed Slovak Information Service (SIS). The prime minister's first proposal for an occupant for that office did not make it past President Kovac, which caused some surprise, but mainly satisfaction, on the political scene. The head of the Office of the Government, Ivan Lexa, who was originally proposed for the job, is a very close coworker of Vladimir Meciar. He is so close that the opposition has several times pointed out that it is Lexa himself who influences some of his boss's decisions, and not always just by the "proper" selection of information that gets to the desks of the chiefs of the Slovak Government. President Kovac listened to the protests of many politicians, as well as of the public, against appointing I. Lexa to such an important office, as director of the Slovak intelligence services definitely is.

The second nomination by the prime minister went through without any problem, but the appointment took place very quickly. Vladimir Meciar conceded that he sent the name of Vladimir Mitro to the president on Saturday, and he was appointed to the new job by Michal Kovac on Monday. In response to the journalists' query as to whether the opposition also agreed to this appointment, Meciar confirmed that it is his personal decision: "This is not a matter for the opposition, and even the HZDS [Movement for a Democratic Slovakia] did not get involved in it; this step was not discussed with any movement." The vice chairman of the Slovak parliament, Jozef Prokes, admitted that he heard the name Vladimir Mitro for the first time only after his appointment as chief of the SIS....

The director of SIS was in the past an investigator for Public Security [VB] (since 1976) and later also chief of the investigations department of the VB. In the period 1987 to 1990, he performed the duties of a consultant to the Office of the Ministry of Interior of the SR and, for a brief time in 1990, was also chief of the Office of the Ministry of Interior. At that time, Vladimir Meciar himself was minister of interior of the SR. One can thus assume that Vladimir Mitro is only another from the ranks of "the prime minister's people" who are in important positions in the SR. At that time, a number of important documents from the period of the former regime fell into the hands of Minister Meciar and his coworkers, and the opinion prevails in Slovakia that Vladimir Meciar is making use of this information in his

further political activities as well. There is a danger that the new director of the information services will effectively help him in this area.

The opposition parties have criticized the government for the fact that, since 1 January, the SR has not been covered at all from an intelligence standpoint. The KDH [Christian Democratic Movement] and other parties have pointed out that the experience of the former members of the Federal Security Service [FBIS] remained unused. The new director of SIS made acceptance of former members of the FBIS conditional upon individual interviews and did not exclude the possibility of utilizing their experience. Time will tell what is hidden behind those words of the new chief of SIS. He himself admitted that he must first of all map out the situation at this new position in his activities because, until his appointment, he had operated in a different sector. It is thus possible to predict that the threads of intelligence will continue to converge at the Office of the Government of the SR....

The HZDS has a firm position in the government, where there is not a single minister from another party or movement, with the posts of the nonpartisan president (the cofounder of the HZDS, Michal Kovac), the chairman of the National Council (the former general prosecutor of the CSFR, Ivan Gasparovic), the chairman of the Constitutional Court (the former communist minister of justice, Milan Cic), and, since Monday, the chief of the information services of the SR—all posts that the HZDS has filled with its most trusted people; it is building, unthreatened, its position as a state party.

**\* Meciar Selects Old Acquaintance**

93CH0605B Prague MLADA FRONTA DNES in Czech  
22 Apr 93 p 6

[Commentary by Karol Wolf: "It Appears That Meciar Succeeded After All"]

[Text] The guessing about the person who would be chief of the Slovak Information Service [SIS] ended on Monday when President Michal Kovac, at the proposal of the government, appointed Dr. Vladimir Mitro, commissioner for foreigners' questions and former director of the Office of Investigations of the police corps, to that position.

The previous attempt by Meciar to put the head of the Office of Government, Ivan Lexa, into that job was not successful; the president rejected his candidacy. That happened because, among other things, Michal Kovac, as a former member of the HZDS [Movement for a Democratic Slovakia], remembers well the intrigues Lexa organized against him inside the movement. Ivan Lexa was moreover described by several parties as a person who is absolutely servile in relation to the Slovak prime minister and, in that connection, does not provide any guarantee of objective functioning in the duties of chief of the secret service.

From that regard, it was possible to perceive the appointment of Vladimir Mitro as a retreat or a failure of Meciar in placing his own people in the important state positions. That assumption is, however, not at all in agreement with the fact that Vladimir Mitro has personally known Meciar for a long time, and the roots of their acquaintance reach back into the period before the November revolution. The very close and trusting relationship of the chairman of the Slovak Cabinet and the new chief of the secret service was pointed out frequently by Leonard Cimo, who now lives in Switzerland. (A crown witness in the case of the Tiso villa, when Cimo himself, at that time inspector general to the minister of interior of the SR, Meciar, was supposed to remove some compromising materials from the StB [State Security] villa in Trencin on the orders of his boss. According to his own words, he took his entire family to Switzerland, where he received political asylum, out of fear of Meciar.)

The appointment of Vladimir Mitro is a further addition to the mosaic of the return of former communists to important state offices. This former adviser to the pre-November minister of interior of the SSR [Slovak Socialist Republic], Lazar, raises to 13 the number of former communists who today control the highest state positions in Slovakia. The first chief of SIS has been added to the chairmen of the government, the parliament, the constitutional court, and other state agencies.

#### \* Major Economic Strategies for Slovakia Evaluated

93CH0602A Prague CESKY DENIK in Czech  
20 Apr 93 p 12

[Article by Premysl Svora: "The IMF Was Right—The Budget Is Bad"]

[Text] *The deficit of the Slovak state budget was almost 14 billion korunas [Kc] by the middle of April. It turned out that the expectations of the International Monetary Fund inspection team, which left Slovakia prematurely on 19 February, were correct. The Slovak Government, subsequently even parliament, had overestimated the revenue portion and underestimated the expenditure portion in compiling the budget. And they did so by amounts that are not negligible.*

#### Budget Deficit

Given the anticipated risk factor in the budget volume of 10 percent, which amounts to Kc15 billion, the IMF experts estimated the annual rate at which that limit would be exceeded to be at least an additional Kc6 billion. To eliminate such a large deficit, they proposed to the government that it adopt restrictive measures on the spending side, which would amount to overall savings of up to Kc13 billion. Those measures primarily pertained to cutting spending for government reserves set aside for stabilizing the economy and for structural changes, the deferral of capital expenditures, and the

striking of additional expenditures in the social sphere. The Slovak prime minister at that time indicated to the IMF that they were not familiar with the problems and the government categorically rejected the proposals, stating that they were unacceptable to Slovakia and were socially untenable. Moreover, Meciar stated that the IMF was starting out from bad numbers and that the government would be able to maintain the budget balance. By the end of February, the management figures of the state were actually still within "acceptable" values. At that time, the deficit was only a little more than Kc1 billion. However, disaster struck in March, when the deficit jumped by Kc10 billion. And the unfavorable trend continues even now, when, in not quite two weeks, the deficit grew by another Kc2 billion. Precisely as predicted by the February expert opinion of the IMF, the reason is mainly the failure to fulfill the revenue portion of the budget. Minister of Finance Toth claims that the greatest problem in the area of revenues is represented by tax evasion, having to do with the introduction of the value-added tax and the taxes on the activities of legal entities. The IMF also drew attention to that factor and estimated the amount of the portion at Kc13 billion. Moreover, in introducing new taxes, the calculation of the risk of tax evasion is a current practice. According to Toth, another cause of the deficit is the lack of discipline in enterprises that continue in state hands and that are handling expenditures inefficiently and prefer to purchase more expensive foreign products than less expensive domestic products. After coming to agreement with industries, the Ministry of Finance will most likely resort to controlling state-managed enterprises and will undertake personnel changes. However, given those anti-market measures, where a state official would issue orders to the enterprise sphere, savings would amount to 1 billion, with difficulty—not the missing 10 billion.

#### The Kovac Solution

Another and not insignificant effort to stop the failure of the state budget is the initiative undertaken by President Kovac. He proposed that all existing state enterprises, as well as state shares in corporations, be transformed into securities that would be subsumed by the Fund of National Property. Only that institution would then guarantee that the property would be converted to cash in the process of privatization. The Kovac effort is clear: to bring all state enterprises under the direction of a single institution, whose partner would be the National Bank. The latter institution, by increasing the issuance of money through the fund, would eliminate the debts of selected enterprises. The fund would then endeavor to sell those enterprises, and the profits from the sale would be used to pay off the credits granted by the National Bank. In other words, it is a clear effort to separate insolvency among the enterprises from the state budget. The Kovac calculations speak of as much as Kc150 billion, which would then be partially put into circulation. However, the entire operation is based on the anticipation that that Kc150 billion would be "earned" by the fund on the basis of the direct sale of enterprises

whose debts have been eliminated by the National Bank. The risks are very high. Money, originally destined as new credits for the more promising enterprises, could be used to allay social unrest and "used up" sooner than anyone is capable of reacting. That would place a large quantity of inflationary money into circulation. Moreover, there is no guarantee that unsold enterprises, which have hitherto not been of interest to anyone, would suddenly, under different administrators, become attractive to foreign countries. That operation would shift the great burden of indebtedness on the part of state enterprises from the government to the National Bank. Although the government would actually save 1 billion or thereabouts in the state budget, what it has thus far been unsuccessful in solving would be difficult to solve for even the best-administered fund of national property.

### The Courage To Face the Truth Is Lacking

In all of the evaluations of the mistakes resulting from the current budget failure, the most important finding is missing—namely, that parliament approved the budget, which does not reflect the actual efficiency of the economy and which is, therefore, an above-standard budget. Spending having to do mainly with the social sphere was expressly overvalued, and also accounts, directly and indirectly, for as much as 80 percent of all spending. The Meciar cabinet is not able to face the truth and to admit that it is compelled to reevaluate those expenditures. Moreover, the trade unions, which expressly assisted Meciar in the preelection campaign, are demanding that the government undertake more and more spending from state budget resources. In addition to such traditionally resource-hungry sectors as education and health care, there are great pressures for spending for defense, for completing the foreign service, and for internal security. It is clear that the government is incapable of effectively preventing those pressures. That means that the budget failure will continue to get worse and could reach a level of more than Kc20 billion in the second half of the year. That would eliminate the possibility of obtaining loans from one of the more important financial institutions. Those institutions are governed primarily by the recommendations of the IMF. During the most recent negotiations, the IMF, according to Minister Toth, set the limits of a possible deficit at Kc8 billion. That is half of the planned deficit that the government figured to be the risk portion. The IMF loan is intended primarily to preserve the stability of the koruna, which is increasingly threatened by the specific, if carefully denied, decline in foreign exchange reserves held by the central bank.

### The Huska Solution—Socialism

This unfavorable set of facts resulted in a reaction on the part of the Independent Association of Economists of Slovakia, which presented its own vision of possible solutions. This grouping has considerable influence, specifically with the governing HZDS [Movement for a Democratic Slovakia] and, under the leadership of such typically socialist economists as A.M. Huska and H.

Koctuch, worked out a "study" entitled "The Road to Economic Failure." In the study, the authors stress that the currently unfavorable status of the economy is caused by the rapid transition to a market economy, which has had an influence on destabilizing the economy. They see the way out in slowing down the reform, in a state-regulated gradual transformation, and in declaring a so-called stabilization phase for the national economy to run through 1996. They further propose abandonment of the privatization of state property and the formation of a so-called state corporation, with participation by employee shares. They propose that, in the foreign exchange area, an allocation system be introduced and that ties be severed to the IMF, whose recommendations they characterize as the principal error of the economic reform. They further propose the establishment of a Supreme Pricing Office, which would control price development and prevent "speculations in the pricing area." Until now, it seemed that the influence of the antireform crusade by the Independent Association of Slovak Economists and its "economic" excesses might not be great. However, the silent coalition between the HZDS and the postcommunist SDL [Party of the Democratic Left], coupled with the most recent public opinion polls, which call for a strong hand at the helm of the state, let it be sensed that even those forces are gaining in importance.

Not quite 100 days after gaining independence, Slovakia is finding itself in a difficult economic situation, for both objective and subjective reasons. However, the current government does not have a recipe for solving this situation.

### \* Trade Unions' Demands Termed 'Unrealistic'

93CH0606A Prague TELEGRAF in Czech 22 Apr 93  
p 5

[Commentary by Peter Schutz: "A Festival of Social Demagoguery. The Slovak Trade Unions Are Against the Government"]

[Text] Last Friday's protest meeting by trade unionists in Bratislava, organized by the Confederation of Trade Union Associations, did not have more than 5,000 participants, according to eyewitnesses, despite prior large-scale advertising by all Slovak media and the free publicity. Viewed purely from that aspect, it would actually be hardly worth mentioning. There cannot even be any talk of any kind of mass movement—after the experience of various nationalistic and antifederal demonstrations, which had substantially higher numbers of demonstrators. The strong overexposure of the political significance of the meeting, however, has shifted it into a heavier-weight category than it might warrant, based on the number of participants. It can be evaluated in one sentence: It was a festival of villainous social demagoguery, accompanied by the introduction of unrealizable demands.

It is clear that the government cannot fulfill any of what for which the trade unions—or, better said, their

bosses—are striving. How, for example, is it to satisfy the demand for stopping the failure of the economy and to begin its revitalization? After the cutting off of federal resources, that is a utopian demand. How are the needs of the education system, the health-care system, culture, and the budgetary sphere to be met when there is no money and the budget deficit for three months is higher than the most pessimistic forecasts were for the entire year? There is no force today that could halt the growth of unemployment in Slovakia, which is another imperative from the joint proclamation of the participants, adopted at the conclusion of the meeting. To demand that Meciar adhere to the program declaration of the government is probably the same as demanding that Slovakia realize the space program of the United States.

It is true that to want the government to fulfill its program declarations is correct, and it is surely the special right of anyone who voted for it. It is also true that the vaunted program proclamation, which is full of internal contradictions and mutually excluding impossibilities, is identical to the demands of the trade unions, articulated at the meeting. The problem lies in the fact that either Mr. Englis and company knew that the socioeconomic platform of this program is pure nonsense and, that being the case, simply deceived their flock, or they did not know it, and then the question of their competence is maximally topical. In any case, both the first and the second possibilities deprive them of any kind of entitlement to criticize the Meciar government today.

The facts of the matter are that it was precisely the trade union centrals that provided financial support and frequently also organized the election campaigns for the

HZDS [Movement for a Democratic Slovakia]. Trade union leaders, who at that time were still headed by Roman Kovac, made no secret of their HZDS sympathies. In the end, R. Kovac climbed upward on his merits to a level approximately three times that to which his possibilities objectively entitled him and even became president of Slovakia.

Criticism of Meciar and his Cabinet occupies a lot of people in Slovakia today—the opposition, the media, the trade unions, as well as other “competent” institutions. In the face of all reservations with regard to the HZDS and its leader, it is necessary to state that, for the most part, criticism is a highly unhealthy phenomenon. On the one hand, a considerable number of those who have him in their sights voted for the HZDS, which deprives them of the mandate to criticize. Those voters would have such a mandate only if the government did not wish to fulfill what it promised. But one cannot deny that it is making the effort; it is only encountering barriers that could have been predicted even by those who brought it to power. So much for Item No. 1. Second, and this is what is substantial, everything aimed against government policies from the left—and that amounts to an overwhelming majority—is for naught. Moreover, it can be a tragedy even for a normal government, in the event we live long enough to see one in Slovakia. For such a government, there is nothing worse than building castles in the air and promoting unrealistic expectations among the people to indicate that the situation that exists today can somehow be improved. The truth is that things are not yet bad in Slovakia, but they will be. And, what is important, they cannot be better for a long time. They can only get worse, irrespective of which government is in power. And anyone who claims otherwise is lying.



## Macedonia

### \* Parliamentary Tactics of VMRO-DPMNE Analyzed

93BA0945A Skopje PULS in Macedonian 15 Apr 93 p 9

[Article by Aleksandar Comovski: "Midnight Cowboys"]

[Text] *No one expected the government to fall, but many people expected the attack by VMRO-DPMNE [Internal Macedonian Revolutionary Organization-Democratic Party of Macedonian National Unity]. Why did they "maneuver" regarding the agreed-upon result?*

Did anyone really think that the opposition would miss the chance to accuse the government of what are currently the two biggest sellouts, the state's name and property?

The time was chosen: during the political establishment's emotional celebrations of entering the UN through the back door. The opposition was expected to react, in defense of its own position, to the establishment's publicity triumphalism, with 10, 15, 25 Skopje rallies and populist manners, and to the ruling regime universally supported by the media. The atmosphere was also recognizable; in Macedonia, the feeling of pride over the "historic act" was nevertheless mixed with the affront to national and personal dignity.

The trappings of democracy, still not radically threatened, are making it possible for gladiatorial combat to keep from leaving the Assembly arena.

VMRO-DPMNE's top leadership, at a midnight post-New York time, rejected its own hawks' initiatives to defend the nation. It did not agree to oppose the "women's orchestra" of so-called (non)governmental organizations with its own masculine team of national(istic) bodyguards. The Lord knows what would have happened if the response to the rally had been a city by city engagement.

The procedure for a vote of confidence was also requested by the prime minister, in his appeal before the admission to the UN, but the procedure for a vote of no confidence was nevertheless initiated by the opposition. The VMRO members did not succeed in escaping the trap of avoiding a strengthening of the government's position during the last round of negotiations before entering the assembly of nations, through the well-planned tactics of a mature opposition that would really try to have the no-confidence procedure conclude with the government's resignation. In developed parliamentary systems, the subtlety of behind-the-scenes political maneuvers is based on methods and means that are due to the maturity of an assessment as to whether the government's supporters and coalition partners can be bought, and whether destabilization of the ruling regime can be ensured. This maneuver, with the concept of dealing slaps to the government without any serious bruises, is a result of ad hoc assessments and not of a

well-planned strategy—which is required after identifying the clearly weak points in the government's policy and the government team.

The recognizable vocabulary of some of the representatives of political primitivism in parliament, at one point, was enriched by an identical vocabulary and namecalling. In contrast to the disciplined, concise, and politically clearly conceived statement by the Macedonian prime minister in defense of the concept of Macedonian diplomacy and the strategy for admission to the UN, Branko Crvenkovski's last midnight defense was conceived with signs of nervousness and vanity. "The tragedy is," in Crvenkovski's opinion, "one party that wants to call itself the most national party, but also some people who want to become national leaders in one way or another, but who, during the period when the most fateful decisions for this state and this people were being made, were sitting on the side and waiting like vultures in ambush."

During this two-year period of Macedonian parliamentarism, we have confronted the institution of a vote of confidence in the government twice. The first time was on 7 July 1992, when the team of Nikola Kljusev's bureaucratic government fell, which had been brought in as an expert government, but was treated like everyone's and no one's. In one absurd action at that time, through careless mistakes by speaker of parliament Stojan Andov, even though all the parties and deputies wanted and demanded the fall of the first government, there was a vote of confidence in it.

The vote was even repeated, after VMRO member Biljana Lazarevska intervened, with the constitutional formulation "expressing no confidence." If this was procedurally clarified in the second expression of no confidence, now the first political government is left with an enigmatic interpretation of the deadline and the time that passes between the submission of the initiative and the day of the vote. The constitutional formulation that it is after "the expiration of three days" is being interpreted differently, grammatically and politically. If those three days mean a definite decision within the 24 hours of the last day of the submission of the proposal for a vote of confidence, then a dilemma remains, perhaps also for the Macedonian Constitutional Court, why the vote was held during the first hour of the fourth day. If, however, the flexibility in interpretation allowed the procedure of the midnight decision in the manner and period in which it was carried out, then it remains unclear why there was so much haste to "defend" the prime minister. The fact that the speaker of parliament, however, congratulated the government that remained on its success in the struggle with the opposition is only part of a political bias, which is probably also motivated by the party membership that links him with the ruling partnership. A dilemma remains, nevertheless, as to whether Stojan Andov would also have congratulated the opposition if it had succeeded in overthrowing the government, just as he remained mute at the moment of

the expert government's departure. In the general parliamentary manipulation of undeveloped procedural relations, at the last Assembly session a new institution was introduced by the Assembly's secretary: "It is not here." That, in fact, was how the nonappearance by the VMRO-DPMNE deputies was treated. Of course, the party itself is left to assess what it wanted to achieve with this new concept of "phantom democracy," but an opposition that has decided on a battle has to participate in it until it is over.

The results of the vote were not in dispute at any time. They could have been predicted easily. The coalition closed its ranks, and the government strengthened its position. The fact that the prime minister is also trying to complete his team with the deputy positions in the ministries, something that Kljusev did not succeed in doing, is a clear sign that the government will press its mandate. A small enigma is left regarding what was meant by the "sally" by Tito Petkovski, the SDSM [Social Democratic Alliance of Macedonia] coordinator, who threw down the electoral gauntlet to the VMRO, challenging this party to put into Assembly proceedings the publicized initiative for early elections. The opposition's failure to make use of its model, however, is probably one more confirmation of the deputies' ease and comfortable Assembly life, from which everyone profits.

The last Assembly session, in addition to procedural gaps, also raised the issues of possibly ironing out permanent constitutional solutions regarding the institution of interpellations as well. Did the vote of confidence in the government also subsume the procedures initiated for determining the responsibility of individual ministers? What if the opposition's interpellations concerning individual ministers are accepted? Will it be left up to the "conscience" of the minister and to his desire to withdraw from the government team, or will the prime minister be able to ignore the judgments of the Assembly, which has the function of political oversight over the government, and simply not give up "his own" ministers?

It seems that the opposition has only temporarily withdrawn the interpellations for Frckovski and Peshev. A similar proposal for Bajaldzev is in progress, and one is being prepared for Djuner Ismail. That also raises the question of how often, in what period of time, an interpellation procedure can be repeated for the same minister.

The government is extending its mandate, not very concerned about the opposition's blows. That certainty has freed its hands to do what it wants, and to transform itself into a powerful organism of the executive branch, over which it will not be possible to exert influence. Objectively, that can cause an imbalance in the established constitutional, functional, and organizational separation of powers. Crvenkovski's cabinet, by becoming untouchable, is becoming the central locus of government power in Macedonia. How else can one interpret

part of the prime minister's midnight recapitulation, according to which "this government will ensure that the Macedonian prime minister will speak in Macedonian in the building on the East River"? Even if it is a result of linguistic acrobatics and metaphors, it may be a sign that we are facing a new type of personal and collective supremacy.

#### \* State Security Wants New Image

93BA0947B Skoje *VEČER in Macedonian* 3-4 Apr 93  
p 7

[Article by Branko Geroski: "The SDB Is Hunting For 'Listening Devices'"]

[Text] These days the operatives of the State Security Service [SDB] are conducting a truly unusual and in many respects unique operation: They are trying to dismantle the listening devices planted by the former "political police." So that there is no confusion, the SDB, by the nature of its work, in agreement with regulations, and, naturally, with the necessary concurrence of the minister, is still using a certain number of these operational-technical instruments. This has to do with a certain arsenal of listening devices that the Service inherited from before, from the time when eavesdropping on political opponents and political undesirables (mostly the former liberals, but also Macedonian and Albanian nationalists) was a permanent fashion in political espionage.

#### "Investigation"

Why do we say that the operation is unusual? After the organizational and personnel changes two years ago, the SDB faced the unpleasant truth that there was virtually no technical documentation showing where and how many such "listening devices" were installed, and how many of them had been dismantled.

This literally meant that first of all the SDB had to carry out a sort of investigation, by studying what documentation had not yet been destroyed, but also through direct talks with those who installed the listening devices, in order to arrive at the figure of 372 listening devices used to eavesdrop on 159 "facilities" (the "facilities" do imply facilities, but also individuals who were subjected to such treatment). Most of these "facilities" are in Skopje (120), and then in Bitola (9), Ohrid (6), Stip (5), etc. The figure is not a final one, and the number of listening devices that have to be dismantled will probably amount to about 400.

Of course, one may also raise the following question: since this kind of operation is going on now, why the unpleasantness? All the assurances are along the lines of the information that most of these "bugs" are inactive. It has not been ruled out, however, that under certain technical preconditions a small number of them could be reactivated. The price of such possible blunders by the SDB would be much higher than the one that will have to be paid now, which can be recalculated as the risk of this

action. One example will illustrate this sufficiently: It is well known that the Law School in Skopje (a hotbed of liberalism in the 1970's) is almost riddled with such devices. Now they are of no use to anyone. How will one convince those people that it is true, however, if the "bugs" are not physically removed? It will be very difficult, and almost impossible.

### Risks

With respect to the risks of this action, however, they already became apparent with the Service's first eight operations. It is highly unpleasant for any person, and also any institution, to realize that there are police "bugs" in their workspaces (as a rule, the listening devices were installed in offices, and not in homes). One has to survive the trauma that once the walls had ears, and still do, even though they say that they are mostly "shot." The trouble also results from the realization that some people, whether warned or not does not matter, simply tried to find the "bugs" in their offices themselves. During the first eight operations, it was determined that in two "facilities" the listening devices simply were not found, which means that they had already been dismantled. Furthermore, no one can be certain that some of these devices simply did not go to the other side during possible repairs and renovations of these premises. In short, it is unpleasant when SDB operatives find listening devices where it was established that they had been installed, but it is even more unpleasant when they cannot find them. Then a dilemma arises: well, all right, where are they and what happened to them?

This whole mess, which a special group of authorized SDB employees is now trying to unravel, may also have political implications, of course. For the time being, what the SDB people can do is keep the dismantling of the "bugs" from being like their installation: secret, and without the knowledge of the "facilities...." What has been done so far has been done according to a completely different pattern, which is probably the only way to have the operation take place as painlessly as possible.

Whether it is painful or not, however, everyone will have to realize the truth that the "bugs" are here around us. Regardless of how anyone assesses this operation by the Ministry of Internal Affairs, probably everyone will be unanimous in wishing the SDB a successful "hunt."

### \* Parliamentary Deputy Petar Gosev Leaves SDSM

93BA0944A Skopje PULS in Macedonian 15 Apr 93  
p 16

[Article by Iso Rusi: "The Representative on the Back Bench"]

[Text] *It may seem absurd, but Petar Gosev recently lived to hear the applause of those who, at electoral meetings in Ohrid, Strumica, and Skopje, were booing and insulting him, and waving the red flags bearing the lion emblem.*

In addition to the heated attitude with which in its two final sessions the Macedonian parliament debated the issue of foreign policy and the question of (no) confidence in the government, once again the public interest turned to the "life and works" of Mr. Petar Gosev, now independent representative and politician with the ambition to form a new center party. This is an individual who has carved himself a place in more recent Macedonian policy. And whereas in the case of a government-forming mandate one could mention Gosev, viewed from two opposite sides (that the party to which he belonged and the establishment controlling him had decided to rehabilitate him and give him the place he deserves, and the opposite, that it was trying, by throwing him into the arena with his hands tied, to sacrifice him once and for all), his formal withdrawal from the SDSM [Social Democratic Alliance of Macedonia] nonetheless was somewhat unexpected despite the overall cooling of the atmosphere that had developed of late between him and the SDSM (failure to attend party meetings and representatives' caucuses).

In the course of the discussions on granting an extensive interview, granted to PULS some 20 months ago, Gosev firmly claimed (and even objected to the question itself) that he would not found his own party and that he would remain a "loyal soldier" of the party to which he belongs, regardless of the attitude displayed by the current leadership toward him.

Subsequently, Gosev must have developed the conviction that the SDSM or its current leadership had been systematically trying to remove him from the party's ranks. Since the only way to accomplish this would be to make him leave by himself (it was precisely after assuming the leadership of the SKM [League of Macedonian Communists] that Gosev stopped paying attention to party differences), in the final account, that is what he did. This entire issue may be interpreted differently as well. It could be said that during the past period the SDSM, including the power which it gained, betrayed the interests of its sympathizers or, as the popular saying goes, it toiled to destroy whatever remains of the state. It appears that these are also the main arguments which Gosev pointed out in reference to his former fellow party members and the current government. Normally, in order to distance himself from any responsibility for a policy judged to be erroneous, it would be necessary for him to drop out (for the time being) and to form a new party that would compete in the next elections, with a view to forming a government.

According to what one hears in the halls of the Assembly, for a period of two years the party that Gosev would organize would be implementing the old idea of a fatherland party. The rallying of intelligent people who, so far, were politically involved with the "small" parties and those who acted as isolated individuals in politics (or had been temporarily removed from politics, such as Tupurkovski, for instance), gravitating toward the center, had its origins in the formation of two "working bodies." First came the so-called Gosev commission,

followed by the forum which rallied the cream of academicians, headed by the current president of the Republic. The Social Reforms Commission of the SKM, at the time that it was headed by Gosev, rallied people who, in the previous 20 years or so, had been kicked and frozen out of the party. The commission was intended to be a body which would define the strategy of the transformation of the old into a new society. The ambition of the forum was to draft a Macedonian national program. We find familiar names in the list of those gravitating toward the new party. However, the names will become known after the list of some 50 individuals described by Gosev as the Initiative Committee will be made public. What is known is that Gosev has held discussion with the high leadership of the League for Democracy (according to some, also with Ilinden-Free Democrats and with most of the independent representatives) about founding a new party. Regardless of whether Gosev and his people will join the league or else the league will blend within the new party, it is clear that this would hasten the loss of a leading position by Djordji Marjanoviti (it is being said that two lions cannot share the same cage). The program of the "united" party would be no problem, for both sides favor a liberal economic program. As to the national aspect of the program, apparently there are no problems. The league has a very clear program and lately it has been possible to see in action the old friendship between the two dissident professors—Marjanoviti and Dimitar Dimitrov.

As to Gosev himself, matters have been clear from the very start. His SKM glory reached its peak when it opposed Belgrade and when it was being said that it was Macedonia's status of being politically dominated. Noted in the electoral campaign was the sharp tone adopted by the reformists as proponents of federal or Belgrade policy and, as a rule, its silence concerning the views of the national bloc. Before the elections, the SKM-PDP [Democratic Prosperity Party] avoided any contact whatsoever with the Albanian parties that had shown any interest, and even one or two meetings with the representatives of the PDP was deemed unsuccessful and followed by comments such as, "it is easier to reach an understanding with Georgievski than with Gosev." There are those who claim that Gosev maintained at that time his own contacts with representatives of the VMRO-DPMNE [Internal Macedonian Revolutionary Organization-Democratic Party for Macedonian National Unity] without the knowledge of his own party. Even then, some Yugoslav spokesmen were saying that an incredible closeness existed among the Macedonian parties when the issue of members of other ethnic groups inhabiting Macedonia was raised. During the talks on sharing the power, Gosev insisted that Gligorov stand aside (despite the many votes he had brought), and also tried to promote himself as the guardian of Macedonian national interests. One of these "controversial steps" was the suggestion that Bishop Mihail become president of the Republic (something he was aware of much earlier than the VMRO leader, who had only formally made this

motion), but was unsuccessful in obtaining the agreement of its Central Committee. It may seem absurd, but Gosev lived to be applauded by those who were booing and insulting him, waving the red flags with the emblem of the lion, at the electoral meetings in Ohrid, Strumica, and Skopje.

Gosev's career started and advanced according to the then most important sequence—first an adviser in production, professional trade unionist, chief of the office of the chairman of the Union of Trade Unions, then member of its leadership and, naturally, member of the communist leadership. It was precisely during the time when the SKM was headed by Jakov Lazaroski, who was followed by Gosev, that Macedonia was treated like an obscure province. The quarrel with the policy pursued by the SKJ [League of Communists of Yugoslavia] and the exponent of that policy, Milan Pancevski, is today considered by some to have been faked. Allegedly, Gosev had no choice other than to bow to the reform-oriented members of his party, in order to try to assume the party leadership, offered to the favored Mihail Danev. His subsequent loss of functions (the fact that he was the head of the Macedonian delegation at the meeting of republics and areas in the Assembly of the SFRJ [Socialist Federal Republic of Yugoslavia] is not considered a function or, as Gosev would say, "they pushed me aside!") was an additional reason to return to the scene through an attempt to form a government (an issue causing a great deal of lasting confusion).

His current transformation as a national unifier or half-baked defender of Macedonian national interests resembles the already seen conversions of the old communists and their regimes in the neighboring countries or the former socialist countries. Be that as it may, the new status of representatives and the appearance of the new (fatherland, national, etc., it is all one and the same) party are the greatest temptations facing Petar Gosev's political career. The folk saying is that it is the result that colors the act.

#### \* Gosev Discusses Goals of New Party

93BA0944B Skopje NOVA MAKEDONIJA in  
Macedonian 17 Apr 93 p 13

[Interview with Petar Gosev by Aleksandar Soljakovski; place and date not given: "Unification of the Political Center"]

[Text] *Withdrawal from the SDSM [Social Democratic Alliance of Macedonia] began immediately following the parliamentary elections. Spies from Belgrade and Sofia appeared out of the blue. The structure of a civil society is yet to be built.*

From the pulpit of the Assembly, Petar Gosev, former member of the Social Democratic Union of Macedonia, announced that he was leaving his party and was forming another party. For this act he was applauded by those who, according to their ideological affiliations, should

have been among his most bitter opponents. This, apparently, is part of the controversy that, not for the first time, involves Gosev's personality. First a noted reformer within the then very rigid Macedonian communist organization, subsequently he was to become involved in the division of powers following the first elections. He lost his position of leader of the social democrats in order not to lose the chance of forming a government. Based on that attempt, Gosev clearly let it be known that he was abandoning his party and turning into its fierce critic. Where does Petar Gosev stand (politically)? This was the topic of our discussion.

#### They Wanted To Be in Control

[Soljakovski] There was talk, for quite some time, of your withdrawal from the SDSM. Naturally, you quite pompously left your party in which you played a very significant role during a certain period of its transformation.

[Gosev] The parting of the ways began quietly after the elections. We were not pleased with the electoral results. We expected to be at least the leading party, the leading group of representatives, on the basis of garnered Assembly seats. It became clear that the expected "contribution" to the elections by people who had joined the party or gravitated toward it was not made. A certain opposition to its leader was also possible. My impression was that some people, during the period of increased acceptance of that policy, had never really agreed with some of the very sensitive and significant steps that we took and were taking at that time, as we tried radically to break with the old ideology and practice, and free ourselves from the influence of the policies of the Serbian leadership concerning the "Macedonian affairs." During that entire time, some individuals were very close to the greatest critics of such a policy as could be seen in the cadre efforts in the period which followed. To this day I believe that the others, who participated in the formulation and implementation of that policy, fully believed in its accuracy. However, following my public statement that I should not once again run for party chairman, some of them hurried to display their own aspirations to take over the party's leadership. It was as though they could hardly wait for my withdrawal. In the course of the talks on organizing the leadership, my idea was that I must, above all, be concerned with promoting a consensus, a decision that would suit everyone as well as the Republic, and that my personal case would remain someone else's concern. Naturally, that is where I was very naive despite my age.

[Soljakovski] It is being said that most of the present government is the result of your suggestions.

[Gosev] For nearly two years after the executive branch was formed, no one tried to talk with me concerning any immediate or planned decision. This was followed by the unplanned fall of the Kljusev government. I was given the mandate. I was not given the possibility of forming a government with which I would be able to assume

responsibility. The entire intention was that I be kept under control through their own people. I refused the mandate. It is now being claimed that it was me who suggested the composition of the government. This is a lie. I have proof concerning all the suggestions made by the leadership of the SDSM and the Reformist Forces-Liberal Party. It would not do these people any good were I to mention their names. If necessary, however, in the final account, I could do this as well. In any case, there were strange combinations and suggestions. Otherwise, it is entirely accurate that I supported some members, providing that they be given other positions. Today it is claimed that because of the difficult economic situation I did not accept the mandate and that these people sacrificed themselves by forming a government. It is only responsible people and people who are familiar with the difficulty of this function, as well as those who know what must and can be done who would think about assuming such a task and the minimal conditions under which to do so. It is only when there is no inclination and when the desire for power, or else the desire for leadership, is absolute that one would grab such a function blindly and regardless of circumstances. This leads to semantic confusions: Unlimited eagerness for power is described as self-sacrifice and as "assumption of responsibility," while any responsible action is described as "fear of responsibility."

At the same time, this situation increased my own dissatisfaction with the implementation or work for the party's programmatic stipulations. Differences on individual issues increased (international policy, stabilization program, the pace of developing the independence of the Republic, the attitude toward democracy and democratic institutions, privatization, and so on), issues on which I spoke repeatedly indicating clear differences in evaluations, ways and priority in their resolution. In terms of such issues I am indeed not prepared to share responsibility. Therefore, the reasons for our parting are broader.

#### No Solutions Seen

[Soljakovski] During the period of "cooling off of relations," were any efforts made at rapprochement?

[Gosev] I was repeatedly told by some representatives that we should sit down and hold a discussion to settle misunderstandings. I have not refused. On the contrary, I have always stated my readiness to discuss issues. However, they did not go beyond mentioning the need to hold meetings. I assume that the reason for this is that these initiatives had not been cleared with the party's leadership. Still, three months ago party chairman Branko Crvenkovski asked to discuss things with me. As he told me, this was an attempt at finding some kind of solution and resolving misunderstandings. We discussed the situation of the party and the origin of misunderstandings within it, and what could be done about it. In the final account, the discussion was reduced to a few questions he posed: Would I agree to become deputy



prime minister, to be the leader of the group of representatives or, gradually, to become a member of the party's leadership. Considering the situation and the sum total of reasons which had led to misunderstandings (I tried to detect something of this kind in the previous question), I could not see a solution on the basis of such suggestions. However, I would not have mentioned this or anything like it as long as I could hear some inaccurate statements about the reasons for which I refused the mandate. Naturally, I considered this initiative most seriously as being extremely well-intentioned. However, it was too late, and the situation has entered a different phase.

[Soljakovski] There is talk of a new party. What is this all about and what kind of political orientation would it have?

[Gosev] As you know, the political forces in Macedonia are quite split and the stronger groups (the ruling left-wing coalition) and the strongest opposition party are in a state of extreme confrontation. For the past two years we have been seeing gross schemes, lack of any more serious effort at developing a consensus even on the most important issues affecting the destinies of the country. Belgrade and Sofia spies and traitors to the Macedonian cause are being created out of thin air. Such confrontations have pushed aside the real issues of the reform and economic stabilization that, in the final account, will determine our destiny. Such sharply politicized positions despite the difficulties in which we increasingly find ourselves and in the present ethnic and religious picture of the Republic of Macedonia and the still hostile surrounding may provoke an extremely dangerous situation for the Republic.

On the other hand, the political forces that are gravitating toward a moderate democratic center and the existence of political views accepted by substantial part of the sharply polarized country, and by the majority of citizens in the Republic are very divided and weak, lacking any noticeable political influence. Since I personally believe that the domination of sharply politicized forces is very dangerous for Macedonia, I believe that we need a political unification of the centrist forces as the main catalyst for social and political turns. I believe that such a role could be played by a new political party of the civic center, that would have a sufficiently broad platform on a civil-liberal basis, a party that, based on the broadest possible democratic foundation, would pursue a policy aimed at reducing social and political friction and quarrels in Macedonia and would be concerned with the issues which are most closely related to the survival of the people, the economic prosperity of the country, civil peace, the security of the people in our streets and homes, and the protection of property and wealth; a party that would consider individual rights sacred and would not look for reasons to postpone reforms in Macedonia.

[Soljakovski] The names of some individuals are being mentioned as well. To the best of our understanding, this indicates a rather heterogeneous structure.

[Gosev] I do not know what personalities are being mentioned and who are those who are better informed than those who intend to form such a party. In any case, it is necessary to wait for and see two issues resolved before drawing any conclusions: the programmatic orientation of such a party and the composition of its leadership.

### I Do Not Know Who Stands Where

[Soljakovski] Do you think that there is place in Macedonia for any different political orientation and whether we could see different authentic political view, taking into consideration the existing situation (social, economic, political, and international)?

[Gosev] The political forces and their programmatic orientations are as yet to be made clear in Macedonia. This process will develop along with the development of the social stratification of society which is only beginning to form the structure of a civil society.

We must begin by having specific social strata and real political exponents of such social strata. Therefore, as long as the social structure of the population has not stabilized, and become the result of that society with a open market economy, until then our Republic will undergo the regrouping and molding of political entities. For example, as I listen to suggestions and debates of some members of parliament or some suggestions made by the nonparliamentary parties, I frequently ask myself: Who has borrowed whose program, who are the true neocommunists and who are the true liberals, or true something else. Everything remains somewhat mixed up.

[Soljakovski] You have frequently expressed your dissatisfaction with the situation in our state. What hinders you the most or what do you find lacking the most?

[Gosev] Simply, there is no concept governing the implementation of the reforms. The executive branch has not tried to formulate such a concept or to begin to implement it. Everything is developing spontaneously, issue after issue. Everything is being postponed. Most frequently, it is claimed that one project or another cannot be implemented at this point. Even after two years, the executive branch has not bothered to draft a packet of basic laws, well written, and synchronized, that should become the backbone of the new economic system.

For example, we still have no law on privatization and on the enterprises. We kept patching up the old one. There is no law governing foreign trade (we recently translated from Serbo-Croatian the law on customs duties). We have no new rules governing banking. The reform in the monetary area has been stopped despite the fact that the National Bank needs such a draft law.

The reform of the tax system is being postponed. It is taking place bit by bit, as though it was impossible to do all of it at once. No single effort has been made gradually to introduce some of the institutions of a market for capital and labor. For more than two years there has been no economic policy, with the exception of the brief period which lasted a few months while Kljusev was prime minister, when something was done but even that was quickly spoiled. There is no political will to eliminate inflation. The government is avoiding restrictive measures in order to preserve its political positions, which only intensifies the crisis. The plunder of public property is being witnessed in silence. Mass theft from the state through the avoidance of taxes and illegal trade has assumed tremendous proportions. Black marketeering and corruption are spreading at a fearful speed.

All of this is being watched in silence. Violations of democratic procedures are very frequent, and there are obvious efforts to suspend such procedures made by individual authorities. There has been a certain alienation by parliament as confirmed by the approval of foreign policy. There are major unresolved issues in the judiciary. We do not have a law on the courts, and the election and reelection of judges has not taken place. All of this is blocking the independence of the judiciary. Obviously, not everything can be done all at once, but I think that a great deal of what I mentioned could have been carried out without major problems.

#### \* Gypsy Leader's Demands, Role Examined

93BA0946B Skopje VECER in Macedonian 31 Mar 93  
p 7

[Article by B. Geroski: "Electoral 'Romanistan'"]

[Text] *The idea of a Gypsy state should be interpreted as the initial electoral action of Faik Abdi.*

*The party claim of the existence of 220,000 Gypsies in Macedonia is needed to justify the increased scope of demands by the PCER [Party for the Full Emancipation of Romanies].*

The impressions created by the "historical" Friday last, when Faik Abdi, the leader of the PCER and parliamentary representative, made public the letters (memoranda) addressed to Butrus-Ghali, the UN secretary general, and to German Chancellor Kohl, are slowly reaching their proper place. The fact that the idea of founding a Gypsy nation and state with the resounding name of "Romanistan" will probably be considered as no more than a romantic vision of the always peaceful Abdi. However, observers must not ignore the following question: Is something unusual taking place, affecting the Gypsy political lobby in Macedonia?

At that same press conference, Abdi made public the party claim that nearly 220,000 Romanies live in Macedonia. This is the first time for the PCER directly and openly to question the data of the latest population census in the Republic, using the same method used by

Serbia in its time (do you remember the inspired census conducted by Kosutic?) and by the Albanians in Macedonia. The thus computed figure is used in order to support the expanded repertory of PCER demands: basic awareness of a still uncoded language to be introduced in the preschool educational system; in grammar schools, the language to be taught three to four hours weekly and, according to the PCER, daily newscasts on the television and the radio in the Gypsy language.

Many among those who were impressed by the aura of the ever creative nature of representative Abdi would ask themselves: What is the reason now for such "extreme" and unexpected demands? The answer could be sought in two phenomena related to the PCER leader. On the one hand, the obviously strong pressure applied by the Gypsy opposition Democratic Progressive Party, whose general secretary Djunes Mustafa said in his meeting with newsmen last week that the Gypsies in Macedonia are being experimented with, and that part of this experiment is an agreement on the reintegration of the Gypsy refugees living in Germany, signed between our government and the government of North Rhine Westphalia. The Gypsy opposition obviously questions this agreement and considers it the work of Faik Abdi. The fact, nonetheless, that something is not in order with the reintegration is also confirmed by the letter which the PCER sent to Chancellor Kohl in which, among others, it mentions obligations to the Gypsies resulting from the pogroms committed in World War II. The impression, therefore, is that Abdi is thus trying to ease the pressure of the TPPRM [Democratic Progressive Party of Romanies in Macedonia] (for example, the dominant influence which the PCER enjoys in the Gypsy department of Macedonian television is expressed in the demand for a daily broadcast), and also to somehow justify the problems caused by the treaty with North Rhine Westphalia.

On the other hand, it would be naive to overestimate the influence which Mustafa's group has on the political activities of the PCER. Abdi's latest statement and the spreading of seductive ideas such as "Romanistan," and the very fact that the PCER is "communicating" with such high personalities in the global political scene should also be interpreted as an electoral action by that party. Abdi knows quite well that in today's political life an electoral campaign means not to render accounts for achievements but to formulate ever new demands. In that sense, perhaps, we should not speak of any kind of "extremism" but more of a marketing trick by the Gypsy leader in the Republic.

However, it is too early to judge the purpose of the formulation of such a sensitive electoral topic as promoted by Faik Abdi. The practical experience of former Yugoslavia confirms that occasionally the cost of enhancing political ambitions becomes effectively high for newly hatched leaders. The hope remains that in this case this would be an exception to the rule.

### \* Ethnic, Political Divisions in Tetovo

93BA0946A Skopje NOVA MAKEDONIJA in  
Macedonian 13 Apr 93 p 5

[Article by Panta Dzambazoski and Irina Stojkovska:  
"Will the Albanians Demand a Monoethnic Assembly?"]

[Text] *Even after Ljubisa Dimitrievski was relieved of his function as chairman of the Executive Committee of the Tetovo Assembly, a condition for the return of the Macedonian committee members to the Assembly, they still haven't returned, and the new condition is the acceptance of their candidate, Aco Petroski, for that function. Is the PDP-NDP [Democratic Prosperity Party-National Prosperity Party] coalition deliberately postponing their answer to this formal request or is this based on an agreement among the parties?*

All indications are that the citizens of multiethnic Tetovo will not have the satisfaction of having their township assembly function normally. The (non)work of that assembly is having a negative impact on overall life in the township, and the ordinary citizens, the Albanian majority, the Macedonians, and others do not have to think hard to realize that this worsens tension in interethnic relations and contributes to the spreading of hopelessness and defeatism....

After the conclusion of the first multiparty elections, for more than one year having a township assembly proved impossible, for the representatives of the parties that won the elections were unable to reach agreement on how to share the power. Following the agreement reached with the assistance of the Republic government on 1 March 1992, the irreconcilable views of the PDP and NDP, on the one hand, and the bloc of Macedonian parties, on the other, which constantly stressed the fact that the Albanian parties, having obtained a majority, "were doing whatever they wanted," became obvious. The negative political situation reached its peak last January, when the Macedonian representatives established what, for all practical purposes, was an (illegitimate) parallel assembly, dissatisfied with the work of Ljubisa Dimitrievski as Executive Committee chairman (who assumed this function on the basis of interparty agreements as the representative of the Macedonian parties and MAAK [Movement for All-Macedonian Action]). They repeatedly insisted that Dimitrievski was promoting the interest of the Albanians. A condition for the return of the Macedonian council members was for either Dimitrievski to resign once and for all or for the assembly to fire him. According to the Macedonian parties, the PDP-NDP coalition was not disposed to "surrender" Dimitrievski, stressing that the right to hold this position and the right to choose the person to occupy it was precisely theirs.

### Serafimovski Dismissed as Part of the "Packet"

The assistance of the Macedonian government was sought in solving the problem. It was repeatedly stressed,

however, that the attitude of the government concerning this issue was one of indifference. The Macedonian representatives did not return to the Assembly. L. Dimitrievski did not submit his resignation, having been elected by the Assembly, for which reason the Assembly alone could dismiss him. Furthermore, his dismissal was not included in the agenda.

Naturally, this item was included in the agenda for the meeting of the Assembly attended by the Macedonian representatives. The Albanian representatives voted in favor of dismissing L. Dimitrievski, "for the sake of earning the goodwill of the Macedonian representatives and so that they may return to the Assembly," as we were told by Satjir Aliti, the township assembly chairman. At that same meeting, however, Djoko Serafimovski was also dismissed from his position as member of the Executive Committee. He had conditionally resigned, pending L. Dimitrievski's resignation. The stumbling stone and, once again, the reason for the nonparticipation of the Macedonian representatives was this dismissal as well as the rejection of the demand to include in the agenda the item of appointing Ace Petroski Executive Committee chairman, as nominated by the bloc of Macedonian parties.

The Albanian representatives did their work in the belief that although it was attended by a single ethnic group, the Assembly had the necessary quorum and could do its work legitimately, despite the absence of the Macedonian representatives.

What is currently the reason for the inability of the Tetovo Assembly to appoint an Executive Committee chairman?

For the duration of this Assembly session, ending on 31 March of this year, assembled elsewhere in the same building, the Macedonian representatives passed a resolution according to which "Aco Petroski is nominated chairman of the Assembly Executive Committee and Djoko Serafimovski is nominated Executive Committee member. His resignation was not accepted because it was based on the dismissal of Dimitrievski." This resolution was signed by the authorized coordinator of the Macedonian parties and by Milovan Stamatovski, the VMRO-DPMNE [Internal Macedonian Revolutionary Organization-Democratic Party for Macedonian National Unity] coordinator.

### "Any Macedonian Is Acceptable to the Albanians"

We were told by Milovan Stamatovski that the intention of the PDP-NDP to postpone the election of an Executive Committee chairman is obvious, for the deputy chairman must be a PDP member, and also because they could freely and unanimously (as a single ethnic group) agree to divide among themselves 130 seats and pass other resolutions as well. All Macedonian parties agree on the choice of Aco Petroski. The PDP-NDP believe that since no joint meeting was held and since no representative of the government was present, no chairman of the Executive Committee can be elected.

Chairman Satjir Aliti was personally asked to include in the agenda two items (the election of Aco Petroski and Djoko Serafimovski) and thus make it possible for us to return to the Assembly, naturally if those choices are acceptable. Milovan Stamatovski said that, having learned that the electoral and nomination commission had not given its agreement, our request was not submitted. I repeat that, regardless, our candidates must be accepted. Furthermore, at the latest session, the motion was made to invalidate the request for the dismissal of Executive Committee Chairman L. Dimitrievski. This is inadmissible for, in general, this is unacceptable as a legal remedy. What is actually the case is that this is the work of Ilyrida and, since that time, we have had no contacts with the Albanian representatives, it being obvious that they are not in favor of coexistence. The only thing which is left to the Macedonians is to organize themselves and to struggle for the preservation of the territorial integrity of the Republic of Macedonia.

Satjir Aliti, the chairman of the Assembly, has an entirely different explanation. He stresses that Dimitrievski has been dismissed by the Albanian representatives obviously in order for the Assembly to regain its multiethnic nature. We are not against a new chairman of the Executive Committee, he said, who would be a Macedonian, but that Assembly was made up on the basis of an agreement among the parties and involved specific individuals. I summoned to my office the representatives of all parties and we agreed that the PDP-NDP would participate in the agreement. Prior to the 31 March session, all parties were asked to reach an agreement and, no agreement having been reached, we agreed to the participation of a representative of the government. Since no representative came from Skopje, the parties did not meet, and at the 31 March session, held in the absence of the Macedonians, the item on the agenda pertaining to Dimitrievski was deleted. Since there was no resolution by the electoral and nominations commission, we did not include in the agenda the election of an Executive Commission chairman. In the middle of the agenda, the session was interrupted, we discussed the issue with Prime Minister Crvenkovski, and we agreed that the government would send its representative on Saturday (tomorrow—editors) so that the session would be able to resume the following week. As to Djoko Serafimovski and his dismissal, Chairman Aliti went on to say, this was done because he walked out of the session whenever the Macedonian representatives would walk out. As a member of the Executive Committee and of the executive branch of the Assembly he should not have done so. I would accept any member as long as the parties can reach an agreement, Satjir Aliti concluded.

#### **"No Discussions With the Albanians Were Necessary"**

What is the view concerning this situation of Aco Petroski, the candidate for chairman of the Executive Committee of the Macedonian parties? According to him, the Macedonian parties acted immaturely, by reaching an agreement to discuss the matter with Satjir Aliti, the Assembly chairman, and with the PDP-NDP.

The position of Executive Committee chairman must be held by a Macedonian, as the interparty agreement of 1 March 1992 makes perfectly obvious. Now the PDP-NDP are saying that "we did not reach an agreement." Actually, there is no reason for them to reach an agreement and choose a Macedonian. Matters are clear; they do not want Aco, Petko, or Stanko. They would like the Executive Committee to consist of a single ethnic group and pass its own resolutions. In any case, Petroski concludes, it is detrimental for the Macedonian representatives not to participate in the work of the Assembly that is functioning legally: Its work is not criticized; this is damaging in terms of interethnic relations; all of this benefits Ilyrida. The government remains deaf, and it was precisely the government that should have intervened to help.

Tomislav Stojanovski, the deputy chairman of the Democratic Party of Macedonia, with headquarters in Tetovo, told us that the party objected to the fact that the government was not becoming involved. The Macedonian parties share roughly the same views, particularly in terms of the choice of Petroski, whereas different views are expressed concerning Serafimovski but, he says, even this issue could have been resolved. The Assembly and the Executive Committee currently consist of a single ethnic group, which suits the PDP and the NDP but adversely affects the Macedonian population. According to Stojanovski, one can see their intention to neglect this issue. Despite the agreement of all parties to hold the Assembly session sooner, it was postponed to 31 March, with the provocative inclusion in the agenda of the motion that L. Dimitrievski resume his position. Unfortunately, that same agenda did not include the item of the the appointment of Aco Petroski to the chairmanship of the Executive Committee. In this process of agreeing on the choice of a chairman and a member of the Executive Committee, Stojanovski concluded, one can see that the intention of the PDP-NDP is to waste time in formal, procedural, and irrelevant issues, the end objective of which is to create confusion and divide the bloc of Macedonian parties. The DPM [Democratic Party of Macedonia] demands the soonest possible sending of a representative of the government to Tetovo and that this time the issue which has created a legal vacuum to be resolved within the framework of the the agenda. Naturally, this means the functioning of a multiethnic Assembly in the interest of all citizens in the township.

The conclusion of all of our interlocutors who mentioned the government is that the government can indeed assist the functioning of a multiethnic Assembly in the interests of coexistence in this area, increasingly dominated by the thought that there is neither a need nor a reason for the two sides to hold any discussions.

#### **\* Spring Sowing Begins; Conditions Analyzed**

93BA0887B Skopje VECER in Macedonian 26 Mar 93  
p 7

[Article by J.P.: "Sowing of Uncertainty!"]

[Text] *With the spring sowing over 217,554 hectares an effort will be made to compensate for last autumn's sowing.*

*The sowing campaign is starting with a feeling of uncertainty by the farmers, without protective prices and incentives, and with a reduced list of protected commodities.*

*The farmers have no money to buy seeds and suitable fertilizers because of the high prices.*

*Most of the mechanized facilities are old, which makes their use difficult.*

Agricultural producers are already deep into spring sowing. The conditions for their work are quite adequate: The temperature is high and the soil is suitably moist for plowing and sowing. However, they are also facing a number of problems.

#### Sowing Plan

In the case of some grain crops (in some areas the sowing of barley and rye has been virtually completed) calls for the sowing of 217,554 hectares of arable land, most of which in the private sector (185,590 hectares). Most of the crops will be sowed in the private sector or, compared to last year, 10.5 percent more. Spring barley will be planted on 17,047 hectares; spring rye will cover 2,613 hectares, and spring wheat no more than 304 hectares.

So much for the grain crops. Rice will be planed on an area of 7,601 hectares. Dominating in the industrial crops will be sunflower, 33,532 hectares, and tobacco, 22,900 hectares, followed by cotton, a symbolic 15 hectares; sugar beets will be planted on 3,447 hectares or 607 hectares more than last year; other industrial crops will be planted on an area of 1,580 hectares.

According to the spring sowing plan, more potatoes will be planted (12,933); green peppers (10,930) and tomatoes (7,977); smaller areas will be planted in melon crops (8,794) and other garden crops (15,090 hectares). Fodder crops will be planted on areas smaller by five percent compared to last year or, specifically, 19,302 hectares; all in all, garden, industrial, and fodder crops will be planted on more areas compared to last year.

This clearly indicates that spring sowing will mean tremendous work for the farmers in implementing the sowing plan which, because of its nonfulfillment last autumn, will be increased by 18,000 hectares.

The Agrohemizacija commercial organization claims that there are sufficient seeds especially for sowing barley, corn, and fodder and garden crops; the Blagoj Tjorev enterprise in Titov Veles has stated that the cooperative farmers will be supplied with hybrid seeds for sunflower, while the 4 Noemvri sugar refinery in Bitola claims that there will be enough seeds for sugar beets and that, as a whole, all the farmers need will be

made available. The farmers complain that they have no money and that the cost of money borrowed from the banks is high.

The farmers also face the problem of high prices charged for chemical fertilizers and plant protection chemicals and the problem of obsolete mechanization facilities. Specifically, agricultural producers have some 44,000 tractors with trailers, only 3,800 of which are public property. Although this looks like a great deal, most of them are old, which creates major, pressing problems.

#### Protective Policy

According to Dr. Eftim Anceev, minister of agriculture, forestry, and water resources, this is an uncertain year. Although in accordance with the macroeconomic policy for the year the government ascribes a significant role to farming, it nonetheless appears that many problems will remain unsolved. One does not even know whether and how much incentive will be provided for some farm products, not to mention if and when the money will be paid.

According to Minister Dr. Anceev, some changes have been made in this year's protection policy. More specifically, the list of goods which will have protected prices has been shortened. Only seven remain from the previous 12: wheat, sunflower, oleaginous beets, sugar beets, crude tobacco, veal, and lamb meat. Protective prices will be established on the basis of average consumption per unit of output of wheat; all others will be assigned prices based on the conditions of the market, and the state will not guarantee that they will be bought.

The production process is under way and harvest time will come soon. However, no one knows what purchase prices will be set, what protected prices will be paid, and what will be the nature of price reductions, subsidies, and other incentives to farm producers. For that reason, it can be said that Macedonian agricultural producers are going to their fields this year without knowing what the value of their labor will be.

#### [Box, p 7]

#### 174,083 Hectares Planted Last Autumn

According to available data, in the extended autumn sowing period (because of bad weather conditions and lack of liquid fuel) a total of 174,083 hectares were planted in crops, or 0.3 percent less than in the autumn of 1991. Grain crops were planted on 166,478 hectares, of which 114,658 in wheat; areas planted in rye were 0.3 percent higher and those in oats were 48.7 percent higher; areas in barley were reduced by 3.5 percent. Industrial crops covered 1,872 hectares or 54.1 percent more than in the previous year; garden crops covered 1,702 hectares or 3.8 percent less, while fodder crops were planted on 4,031 hectares or 11.4 percent less than in 1991.



[Box, p 7]

### Plowing Season

According to Angelko Angelovski, a hydrometeorologist from the Republic Hydrometeorological Institute in Macedonia, excellent plowing conditions have developed. This includes not only the very high temperatures but also the excellent moisture of the soil. Conversely, meteorologist Veselin Stojanovski forecasts that there will be a change in the weather situation. Under the influence of cyclonic activities and the arrival of cold air masses, there will be heavy rains and, in the higher areas, snow is also possible. Minimal temperatures will be on the plus side and maximal temperatures will range between 12 and 13 degrees centigrade; starting with Tuesday, the weather will become stable once again.

### \* Tobacco Industry Faces World Competition

93BA0887C Skopje VECER in Macedonian 25 Mar 93  
p 7

[Article by J. Pavlovski: "Tobacco Growers Are 'Fuming' From Surpluses"]

[Text] *The more difficult marketing of fermented tobacco and cigarettes will force the tobacco enterprises, the cigarette factories in particular, to grant forced leave to workers.*

*Marketing abroad has become much more difficult because of strong competition; the former Yugoslav republics have erected customs and tax barriers to our tobacco and cigarettes.*

*Will the state remain indifferent to this situation, aware that tobacco contributes to its budget and generates a great deal of foreign exchange?*

Never before has tobacco production in the Republic been in a more difficult situation than now. The situation especially worsened in the first three months of the year, with the virtual blocking of the sale of our cigarettes in the former Yugoslav republics. The situation with marketing aromatic Oriental tobacco in other countries that have been our traditional customers is no better.

The managers of the three cigarette factories in the Republic (Prilep, Skopje, and Kumanovo) would rather not discuss the situation of the available stock for which there is no market. As a result of the worsened situation in marketing finished goods, some workers will be given mandatory leave. The situation may become even worse.

### The Situation

Koco Argirovski, general director of the Jugotutun Business System in Skopje is the highest official who can and must discuss the problems existing in that area of the economy.

"The situation is more than critical. By 28 February, in excess of 26,200 tons of untreated tobacco from last

year's crop had been purchased. The producers were paid 77 billion denars, of which 20 billion came from the initial emission. The other funds were borrowed from commercial banks and a high percentage of the money came from enterprises which purchase and treat the tobacco," Argirovski said.

Such indebtedness exhausted the enterprises so that, by 31 March, they owed in interest 38.7 billion denars to the National Bank and to commercial banks, and another 18.9 billion to other creditors. This is approximately the same amount as the principal. Considering that such money is "tied" in the tobacco now in storage, the tobacco enterprises are doing everything possible to sell their stock, although the opportunities, according to director Argirovski, are minimal. Sales of fermented tobacco have declined drastically, especially to the former Yugoslav republics. The marketing of cigarettes on the Macedonian market itself has become more difficult (not exceeding 1,668 tons).

"The situation with the amounts planned for export is not good," Argirovski said. "The reason is that the rate of the dollar on the free market, as of 30 November 1992, when the purchasing of the untreated tobacco began, and up to 22 March, had increased by no more than 37.1 percent; at the same time, cumulatively, interest rates rose 148.1 percent. The same percentage of increases was noted in the price of electric power, processing materials, and so on, all of which makes goods for export more expensive."

Bearing in mind that 80 percent of the fermented tobacco was to be exported, at prices which have lately dropped 10 to 15 percent, while the purchase prices of untreated tobacco remained quite high, the disparity clearly shows the "mess" in which the tobacco industry that, only yesterday was quite profitable, finds itself.

Why are there difficulties in marketing Macedonian fermented tobacco on the markets of the former Yugoslav republics? Normally, it is essential to protect domestic production. That is precisely why Serbia and Montenegro are charging a high sales tax for Macedonian cigarettes, thus making them inaccessible to the smokers. The tax has reached 76 percent and, in Croatia, even 85 percent. Additionally, customs fees amount to 23.5 percent.

Under such circumstances, according to Kosta Argirovski, the director of Jugotutun, our cigarettes become absolutely noncompetitive, and their marketing on those markets has been reduced to a minimum. In the past those markets absorbed, on a monthly basis, between 1,200 and 1,300 tons of Macedonian cigarettes; in January and February, however, consumption dropped to 600 tons only.

According to Danco Suturkov, deputy general director of Makedonija Tabak, a specialized company for the marketing of tobacco products, the marketing of fermented tobacco and tobacco products is declining. Furthermore, collecting for what has already been sold is difficult.

In this general mess, the producers are confused. This is especially due to the fact that the macroeconomic policy of development for this year has not been adopted, even though the first quarter of the year is already behind us. People do not know how the tobacco will be handled, whether there will be a protective price, bonuses, or discounts, and whether export incentives will be provided and if so, how much.

### Exhaustion

Dr. Eftim Ancev, minister of agriculture, forestry, and water resources, assesses the situation as very difficult. He believes that the situation could be improved through the perseverance of the famous Makedonija Tabak company and through additional commitments. Whatever may happen, we must resist; we do not dare to lose tobacco as a crop for which we are famous and recognized throughout the world.

Speaking of the concern caused by this year's economic policy, Minister Dr. Ancev believes that we must not hastily abandon the basic emission and rediscount credits which will be accepted and applied according to the will of parliament. In his view, the tobacco economy has certain opportunities.

According to Nikola Todorovski, general director of the Tobacco Combine in Prilep, the statements of Minister Dr. Ancev are "cold comfort." He believes that the government is attacking that part of the economy by loading it with burdens it can no longer bear, although this industry accounts for the lion's share of the budget and it should not be a matter of indifference whether the government will collect or not collect the tax on the sale of 1,800 tons of cigarettes crowding store shelves.

Therefore, the difficult situation facing cigarette factories should not be a matter of indifference to the state. The factories will have to grant forced leave to the workers, among others also because of the failure of the state to meet its commitments.

[Box, p 7]

### Budget

Through the sale of cigarettes the state budget of the Republic of Macedonia was enriched by 9.8 billion denars from 1 December 1992 to 20 March 1993. Furthermore, as a result of sales of fermented tobacco and processed tobacco to several countries, including the former Yugoslav republics, the state earned about \$7 million. The result of the work of the tobacco economy would have been even better had the state applied the same methods for production incentive, such as lowering interests rates charged by the banks, incentives for growing tobacco on poor soil, and so on, as is practiced by neighboring countries, such as Greece, Bulgaria, Serbia, Croatia, Italy, and others.

### \* Problems of Electrical Energy System

93BA0887A Skopje NOVA MAKEDONIJA in  
Macedonian 27 Mar 93 p 14

[Interview with Mihail Panovski, operational dispatcher of the Electric Power Utility, by Saso Novevski; place and date not given: "Detrimental Business Relations With Private Companies"]

[Text] *Currently the entire stored hydraulic power potential has shrunk to zero and it would be normal for the scarcity of electric power to continue. Irregularities and illegalities in the Electric Power Utility occur daily, in the course of which the leadership is making very profitable deals with private companies. The enterprise must be staffed with professional cadres, Mihail Panovski says.*

In the past few months, the Macedonian power generating facility has remained in the focal point of interest of the public. The first reason for this was the unexplained "disappearance" of the power; this was followed by the actual scarcity of electric power, followed in turn by reduced power supplies and major breakdowns of projects, and the strike at the Bitola REK [Republic Electric Power Combine].

We have repeatedly tried to discuss the reasons for this situation prevailing at the Electric Power Utility of Macedonia Public Enterprise with Mito Markovski, the leader of that big staff who, ever since he definitively resigned, has refused to talk to us. For quite some time, we looked for interlocutors among the other leading cadres but they also refused to discuss the problems publicly and to tell us what is happening to this collective with 42 branches throughout the republic and more than 11,000 employees. That is why we discussed the situation with Mihail Panovski, who is an electrical engineer and dispatcher of the Electric Power Utility of Macedonia, who agreed to discuss publicly some problems of that public enterprise. Panovski, who is also a representative at the Macedonian Assembly, has made remarkable statements in parliament and has substantiated data on the condition of that big enterprise, worthy of a discussion on such a relevant topic.

### Empty Hydraulic Power Plants Do Not Generate Electricity

[Novevski] Mr. Panovski, since major problems have faced this power system in the past as well, has the power situation become particularly worse over the past few months?

[Panovski] Although it took several years for such a situation to develop, it could be said that it reflects both objective and subjective reasons. As to the recent winter months, the major problem was the scarcity of electric power. The problem was caused by the consumption of electric power in excess of 20 million kilowatt hours that could not be met by our own resources. We know that the thermoelectric power plants have a daily generating capacity of no more than about 16 million kilowatt hours

of power and that the balance must be supplied by the hydraulic power plants. It was at this point that the problem arose, for there was no water in storage, and power had to be brought in from neighboring systems. The situation now is such that the entire hydraulic power potential has simply been reduced to zero. Therefore, this means that for the right or wrong reasons, someone drained the water powering the hydraulic power plants, thus leaving the republic without a strategic hydraulic power reserve. In my view, the responsibility for this situation must clearly be assumed by the government. At the very start of January, when reductions in public consumption became necessary, I submitted in writing to the parliament four conclusions and asked that the Negotino thermoelectric power plant be activated. This required fuel oil even at a price which would have made the people of Skopje unable to heat their homes. At that time, the hydraulic power potential was adequate for generating 50 million kilowatt hours. This means that it was necessary to preserve that amount of water.

[Novevski] During that period high consumption overloaded the system, resulting in a number of breakdowns of power generating facilities. In your view, could subjective factors be blamed for some of these faults?

[Panovski] Undoubtedly, some breakdowns were the result of the way the low-tension grid was used. However, it is equally accurate to say that some accidents were the result exclusively of unskillful handling. The public knows that during that period transformers burned up. This caused many problems in supplying Skopje, Sveti Nikole, Titov Veles, Gevgelija, and Kumanovo with power. The worst was the breakdown which occurred at the Kumanovo transformer station where two transformers burned up and the damage amounted to about 10 million marks. I find it strange that despite the several levels of protective measures such errors would occur. The only reason was sloppy work and the general laxity of the workers. Also indicative is the fact that no member of the present management of the electric power utility is willing to assume responsibility for such breakdowns. As long as no one assumes responsibility for such major damages, it is certain that both the enterprise and the state will suffer.

[Novevski] For two full weeks Macedonia was also shaken up by the strike at the Bitola REK. What is your view on this quite specific and politicized event?

[Panovski] I am not familiar with all the details of what happened at the Bitola REK. However, one does not have to be too knowledgeable to be aware of some things. Inasmuch as there were misconducts in the combine and disadvantageous agreements were being concluded with private companies, as the strike committee claims, leading cadres were involved in such activities, signing bad contracts. That is why I think that someone must be held liable. I repeat, however, that if the leadership committed such acts, this was to the detriment of the combine and the state. Conversely, if the strike committee fabricated such accusations, something which is

not excluded, in that case the committee bears tremendous responsibility for what happened at the Bitola REK. Otherwise no one could criticize the very good work done by the REK which, from the weakest power plant in Europe in 1989 has now become one of the best. Therefore, it must be given credit for the results it was able to achieve.

[Novevski] However, the end of the state of dissatisfaction in Bitola was unexpected. The salaries of the personnel were not raised by the unrealistic percentage asked. Nonetheless, the workers replaced the REK director, who certainly should be credited for the good work.

[Panovski] Results on the European level cannot be achieved without discipline. It is clear that without skillful management no good results are possible. On the other hand, if that same leadership committed some improprieties in its work, whether financial or ethical, it should assume responsibility for this. That is why I personally believe that it was a mistake on the part of the strike committee not to ask for a parliamentary delegation consisting of representatives of all political parties to come for discussions and become familiar with all the problems of the Bitola REK, so that the most accurate assessment of the situation could be made.

[Novevski] Due to the pressure exerted by that combine, the government suggested and, subsequently, the parliament adopted amendments and supplements to the laws governing the power industry and enterprises. How do you interpret this governmental action?

[Panovski] It appears that the government asked for these laws strictly because of the strike in Bitola. I do not agree with drafting laws so casually as well as based on a single case; laws must be drafted in advance, and proposed for passing. The regulations were necessary. However, the laws had to be more meaningful and extensively considered. More time is needed to discuss such basic documents. I think that the law on public enterprise, for instance, has list the names of the public enterprises that will remain in the hands of the state. I raised that question in parliament quite some time ago, when we were debating the first version of the law on privatization. At that time I said that it is the government that must assume responsibility for the work of state-owned firms, as is the case in all developed countries. I believe that what is most important now is to know precisely the extent to which the state will undertake to replace the managements of state enterprises. This is done throughout the world, and we know that the directors of state firms are people who assume the highest risk in holding such jobs, and that they are constantly threatened losing them. Conversely, in such public or state enterprises, everywhere the workers enjoy the greatest security. Such facts are little known in our country and our media provide little information on the status of public enterprises in Europe and throughout the world.

[Novevski] You also have openly mentioned the poor choice of cadres and a number of malversations and illegalities. Could you tell the public at large what this is all about?

[Panovski] Whatever is being done in the collectives did not start yesterday. In the case of many secret games that are being played, some employees were courageous enough, and about a year or so ago publicly mentioned some problems in the enterprise. However, the leadership tried brutally to settle its accounts with such workers. This pertained not only to the alleged disappearance of the power from the system but also to other cases as well, for which reason excellent personnel, who had achieved good results through their studies and work within the Electric Power Utility, were forced to leave the enterprise and find work in Australia, Tasmania, Canada, etc.

The malversations committed by that segment of the leadership of the Electric Power Utility are another story. Many people keep silent about them but I will openly tell you this: The "Electric Power Utility of Macedonia" has developed some kind of business relationship with private firms involving huge amounts of money, as a result of which this public enterprise and the state have lost a great deal of money. This can be easily confirmed if the state institutions in the system truly wish such confirmation. Only thus we would be able openly to face the fact that some leading cadres who collect fat fees, and many Macedonian political personalities will become known for their corrupt deals and involvement in a number of dishonest affairs.

#### Cooperating With the "Volunteers"

[Novevski] It is improper to make such charges. Could you give us specific examples of machinations and abuses?

[Panovski] I am referring to a series of irregularities and illegalities. I can give you specific examples which are also familiar to a segment of the broader public. For example, this applies to the business relations between the previous general director Mito Markovski and the former minister of the economy of the government of experts Stojan Trajanovski, who is today the owner of Profako, a private company. This is an indisputable fact. Such relations were started quite some time ago, when Trajanovski was director of Makmetal and it is an open secret that already by then all the work was assigned to that company. The case of the Tetovo hydraulic power plants is not the only one, for the collaboration between these two leaders continued. Today many people also know that some time between the end of last year and the beginning of this year huge amounts of money were transferred from the account of the Electric Power Utility to Profako, the company owned by the former minister. There was not only cooperation with that company but also with Elektron and many other private companies from which everyone involved profited. This

is a job for the police which should investigate it thoroughly. That is why it is a good thing that changes occurred in that enterprise about which I claim that as long as the leadership of the Electric Power Utility is not replaced such illegalities will constantly occur.

Furthermore, there already are some indications that despite the new laws a general strike may be in the works at the Electric Power Utility which may break out on 5 April. However, should this happen, its only reason will be that some directors have not been replaced and are continuing to cooperate with the private companies. Personally, I believe that the workers will not allow to be manipulated a second time so that a group of already compromised individuals retain their leading positions especially now, when the situation with salaries at the enterprise has greatly improved.

[Novevski] In terms of these charges, Mr. Panovski, what are you trying to accomplish?

[Panovski] I do not wish this attack on the leadership to be misinterpreted. I have absolutely no ambitions whatsoever or any intention of assuming any kind of leading position in that enterprise. Such speculations about me were heard immediately after the criticism I voiced in parliament. However, I am generally not interested in any kind of position. I simply believe that it is necessary to speak out and I shall continue to do so at the Assembly and anywhere else whenever the occasion presents itself, as a member of a small party of three representatives who have no political influence, asking that the electric power industry be headed by real people who would assume real positions, thus enabling the collective to work successfully. Such people exist both within and outside the enterprise, and now the government must not be guided by narrow-party interests but make firm decisions which would allow experienced people who know their work and their profession to take over. The parties and anyone else must realize that they must stay away from specialized state companies, especially the Electric Power Utility, for the power industry does not tolerate improvisations and it is perhaps mainly as a result of the work of such enterprises that Macedonia would be able to follow the path leading to overall economic sovereignty.

#### \* New Passports Described, Problems Viewed

##### \* Procedures for Passports

93BA0889A Skopje NOVA MAKEDONIJA in  
Macedonian 21 Mar 93 p 3

[Article by K. Cangova: "Statehood Is an Obstacle to Faster Acquisition of Traveling Rights"]

[Text] In eight months more than 20,000 Macedonian passports have been issued. Before obtaining a passport, proof of citizenship, submitted with evidence, is checked for all republic citizens. The passport issuing procedure is shortened if the citizens themselves produce statehood certificates. A document for traveling abroad can be issued



*in no more than 25 days. The greatest difficulties are faced by the citizens of the previous Yugoslav republics.*

In the eight months since the blue Macedonian passports began to be issued, 21,600 citizens of the republic have been issued a passport for traveling abroad as well as for proof of citizenship. This travel document is freely accepted by all countries which have recognized Macedonia as a state. Armed with a Macedonian passport, our citizens can travel freely in Central and Northern Europe and across the ocean, to the United States, Canada, and Australia, countries that have accepted the validity of this travel document, requiring a visa which may be issued by the diplomatic and consular representatives of those countries.

Countries that do not recognize our passport are Greece, the Federal Republic of Yugoslavia, Great Britain, and Italy. The worst problem is getting out of Yugoslavia or, more specifically, Serbia, via Subotica, Tjelebića, and Horgos, and crossing into Romania. It is at those points that the Yugoslav border authorities do not allow the crossing of people with Macedonian passports and demand the old, red passport. There have been cases of our countrymen being harmed and mistreated; insults have been addressed at our highest leaders, emphasizing that Macedonia is still not recognized and it has no right to have a passport, stresses Jovan Cicakovski, head of administration at the Ministry of Internal Affairs.

#### **Citizens' Problems Abroad**

Taking into consideration that some citizens still own Yugoslav passports along with the new one, in traveling abroad it is necessary and desirable to use only one of them. Citizens who have two travel documents must consider the risk while crossing a border that one of them may be confiscated by the authorities, on the suspicion that it was acquired illegally.

As far as problems are concerned, other than those encountered at the border crossing between Yugoslavia and our country, there is also the problem of the citizens who are guest workers abroad and those who have resided abroad between three and six months. All of them are bearers of the red passports and a high percentage of such documents required by the countries in which the citizens are temporarily residing have expired, which makes them invalid. "We, as a republic," stresses Cicakovski, "have no missions that could issue new passports, and it is possible that citizens using such expired documents may lose the right to reside and work in the given country because of loss of continuity of residence and temporary employment, and well as the loss of other rights in terms of jobs, insurance, and pensions. Therefore, in order to help them as much as possible, the MVR [Ministry of Internal Affairs], jointly with the Ministry for Foreign Affairs, has begun to accept requests from such people for passports, so that they can return to the countries and come back. Initially, this will apply to countries where we have missions and where the

Macedonian passport is recognized, and with their help continued residence and work can be secured."

#### **Yugoslav Passports Are Not Being Issued**

The Ministry of Internal Affairs acts in accordance with the stipulations of the new law on travel documents, according to which since its enactment no Yugoslav passports are to be issued. All that can be done is to extend the validity of such passports not to exceed 10 years with the possibility of yet another extension. However, the further extension may not be valid after 10 November 1994. As to the new Macedonian passports, no one other than a citizen of the republic has the right to own one. One of the documents without which no passport can be issued is a citizenship certificate. It is precisely at that point that difficulties arise that delay the passport issuing procedure. In the case of many citizens it is unquestionable that they are citizens of Macedonia. However, this must be confirmed with proof of citizenship. The problem is that this procedure has still not been systematized and that it is still possible for some people to be citizens of Yugoslavia and some to be citizens of the SFRJ and the SRM [Socialist Republic of Macedonia]. This must be corrected and done automatically whenever a demand is filed for the issuing of any kind of document, particularly one for traveling. According to Jovan Cicakovski, especially in the case of citizens who were not born at the place where the request is submitted, the administrative services of the MVR recommend that whenever possible such citizens acquire a statehood certificate. This would shorten the procedure for issuing a passport. This is not mandatory but is recommended to citizens who are in a hurry to obtain a passport. This is the main reason why it takes some 25 days from the day the request was filed to obtain a passport instead of 15 days as stipulated in the law. According to the MVR, this does not violate the legal stipulation. Individuals who must urgently travel abroad may be issued a passport within 24 hours. In the case of citizens living in more remote places in the republic, the requests are shipped by a weekly courier service, and the same method is used to deliver the passports that can be issued in Skopje only.

Obtaining passports is more difficult for citizens of the former SFRJ republics, for they must prove their citizenship status. The reason is that certification of citizenship is one thing and proof of the request for citizenship another. This presumes a request for citizenship and meeting the provisions of the respective law.

#### **Speeding Up the Procedure**

For the time being, there has been no pressure on the part of the citizens for passports. This is further confirmed by the number of passports already issued. If we remember that between 120,000 and 140,000 Yugoslav passports were being issued annually, the number of 21,600 passports issued in eight months confirms that the procedure for issuing travel documents is developing quite normally. We believe that even faster issuing of



passports is possible. Soon, perhaps as early as next month, the entire procedure of making and issuing passports will be moved from Skopje to the township organizational units. For the time being, there are five machines in Skopje and another 35 have been procured. After completing the final preparations will be gradually installed in the republic's township departments. It is most likely that Tetovo, Bitola, Struga, and Strumica will be the first cities which will undertake the making of passports, after it was confirmed that it was precisely in those cities that the pressure for issuing travel documents is the heaviest.

The Ministry of Internal Affairs issues exclusively individual passports that can be obtained by any citizen regardless of age. Children under 14 may have their own personal passport or have their name included in the passport of one of their parents. Diplomatic and official passports are issued by the Ministry of Foreign Affairs. Furthermore, our diplomatic missions abroad may issue a travel document should any Macedonian citizen remain without travel documents if his passport is lost or stolen.

[Box, p 3]

#### No Forgery Detected

The Macedonian passport is based on standards applicable to the European Community. It is a good model which can be adopted easily by any country in the world. This is the first generation of passports in which the MVR has noted some minor technical flaws that will be corrected in time. The number of issued passports and the length of time since passports began to be issued is too short to be able to indicate any possible forgery. According to the MVR, so far no single case of forgery has been detected. There is no document that cannot be forged, Jovan Cicakovski claims, but given the protective measures taken any forgery of a Macedonian passport would be detected quickly.

[Box, p 3]

#### Documents

Several documents are needed to obtain a Macedonian passport. An identity card must be produced, a passport request form must be filled out, receipts for payment for the form and for the passport fee must be produced, along with a certificate of citizenship, and two photographs. Currently, the cost of a travel document is about 21,000 denars.

#### 10-Year Validity

The Macedonian passport will be issued for a period of 10 years and will not be extended. After 10 years it will become invalid, and a new passport will have to be issued. Our passport does not carry a seal and until the law on the seal has been passed it has been agreed upon with the maker that this step will be omitted. Since it is a question of a seal which will be impressed on the center

of the passport and that this will be done manually, passports will be collected on an organized basis in the local areas. They will not be kept and will be returned immediately afterwards to their owners.

#### \* Passports Questioned by Serbs

93BA0889B Skopje VECER in Macedonian  
27-28 Mar 93 pp 10-11

[Article by Gojko Eftoski: "A Macedonian Passport, What Is This?"]

[Text] *A few days in the life of the Kuzmanovski couple on the Serbian-Bulgarian border.*

*Recently a married couple, Magdalena and Blagoja Kuzmanovski from Tetovo, spent several days waiting on the Serbian-Bulgarian border. They claim to have been extremely mistreated and to have had a bad experience with the Serbian customs officials for the sole reason of traveling to Turkey with Macedonian passports.*

People go abroad for a number of reasons. They must travel even during the present difficult, one would even say crazy, times. In some cases they spend all their money to be able to do so. In the course of the travel, however, particularly in crossing the border, they sometimes experience a number of things.

For family reasons, Blagoja and Magdalena Kuzmanovski traveled recently to Belgrade. From there, a direct train was to take them to Istanbul via Nis and Sofia. They were stopped at the Gradina border point near Dimitrovgrad, where travelers cross the Serbian-Bulgarian border. Only they can tell you what they experienced and the outrages and indignities to which they were subjected. Here is what they told us:

"Our documents were in order—personal documents and everything needed for traveling abroad," Blagoja Kuzmanovski said. "We were traveling with Macedonian passports, the new passports of our country. We started from Belgrade by train, with tickets to Istanbul. Everything was all right up to the border. Once we reached the border (it was around midnight), something that we shall never forget, took place. Never in my life have I been subjected to such unpleasantness, mistreatment, and insults. There were two separate railroad car checks. The personnel of the first was correct and everything followed the usual border-crossing procedure. However, with the second check, that of the customs officials, their attitude deserves nothing but condemnation. It was then that they started to insult us: 'What kind of passport is this, this is nothing. This is not a valid document. No one is recognizing your passport. You have no state. No one has recognized you....' The officials then went on to process the other passengers and stopped talking to us. They did not allow us to respond. They simply left."

Magdalena and Blagoja Kuzmanovski nonetheless expected that this would be the end of the abuse. They

thought that the worst was over, not only because they had a direct ticket but also because their documents were in order. However, the same people who insulted them returned, we were told by the wife Magdalena. "This was the peak of inhumanity. We did not deserve this at all. 'Why are you still on the train? You will now have to pay damages for delaying the train. We told you that what you have is nothing. Leave the train immediately!'"

"We took the bags we carried and left the train. Think about it, in a border zone, without a single Yugoslav dinar, and without transportation back. It was around midnight and very cold. They did not allow us to say even a single word. If our documents were not in order why did they not ordered us to leave their territory instead of asking us to go back, in the dark, and to freeze at the post. We were lucky, however, to find a person with a degree of humanity. It was the waiter at the only coffeeshop near the border post. He had seen what had happened to us and the way we had been forced off the train. He took us in the coffeeshop and, did not charge us for some tea to warm up. We stayed there until a train traveling in the opposite direction came. We had no money for tickets. We had to change German marks. They did not issue us tickets to Skopje but only to the Serbian-Macedonian border," Magdalena and Blagoja Kuzmanovski told us.

The epilogue of this trip is already clear. What remains unclear to the Kuzmanovski couple is the reason for the abuses and mistreatment and the uncalled-for behavior on the part of Serbian officials.

#### \* Renaming of Streets in Skopje Considered

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[Article by B. Djordjeviski: "'Macedonia' Square?"]

[Text] *A total of 210 streets, boulevards, squares, and bridges, and one settlement would be given new names: suggestions on naming them after noted personalities from Macedonian history.*

A total of 210 streets, squares, boulevards, bridges, and settlements in Skopje will have new names before the end of the month. This is the initial information coming from circles close to the city assembly, where for quite some time the respective commission on the naming of streets and its working group have been working on changing the present names of public sites and city circulation arteries. The process has reached its final phase and, in most cases, specific names have been found for specific streets, boulevards, and so on. In the next few days other issues will be resolved relative to the choice of new names for circulation arteries and sites whose names are to be changed. For the time being, a special working group set up by the Commission on Street Naming is working full steam. It will review suggestions for new names. In order for a name to be accepted, 36 votes in favor cast by city assembly representatives will be required.

"The main criteria which guided us in assigning new names were consistent with the independence of Macedonia and total deideologization, as well as with the ideas of the National History Institute," we were told by Eftim Takovski, a member of the Skopje Executive Committee.

In most cases the work group has already determined the personalities from Macedonian history and from the recent past that will be given to streets, boulevards, and so on. In any case, it will be a question of individuals who so far have not been honored by the city. Thus, the renamed streets will have the names of Aco Sopov, Risto Siskov, Dragan Dja-konovski-Spato, Kiril Makedonski, Jovan Kukuzelj, Atanas Badev, Trajko Prokopiev, Zivko Firfov, Zivko Cingo, Branko Zarevski, Vanko Nikoleski, Djordji Abadzjev, etc. They will include personalities from the NOB [People's Liberation Struggle] who, so far, were unjustifiably ignored: Pande Cesnoska and Lence Stojcevska, who were executed by a firing squad, partisans who were executed by the partisan movement itself, the five executed Strumica students, the members of the first Macedonian government headed by Metodija Andonov-Cento, Emanuel Cuckov and Kiril Petrusev, and others.

The VMRO [Internal Macedonian Revolutionary Organization] will be suitably noted as well. Its centennial is being celebrated this year (most likely, one of the main boulevards will be named after it) and we also know some of the major arteries that will have their names changed. It has been suggested that the October Revolution Boulevard and Bridge be renamed "8 Septemvri," which is Macedonia's independence day; it has also been suggested that Red Army Boulevard be renamed "Makedonska Armija" or ARM; the JNA [Yugoslav People's Army] Boulevard be renamed "Arhiepiskop Dositej," and for Boulevard "Yugoslavia" to become "Nikola Karev." To rename Boulevard "Vojvodina" to "Panko Brasnarov"; "Edvard Kardelj" to "Aleksandar Makedonski"; Boulevard "Marks i Engels" to "D-r Konstantin Terzjev"; and "Marshal Tito" Square to become "Makedonija" Square. The Sindjelitj colony will be renamed "Metodija Andonov-Cento." The same name will be given to the colony's the main street. It is worth mentioning that the name of the "Partizanski Odredi" Boulevard will not be changed. We know that the name of the "Marshal Tito" main street of the town will be changed as well but also that no specific recommendation has been made. Mother Theresa will have a street named after her and so will Archbishop Angelarij and it was suggested that "Sava Kovacevidj" street be renamed "Hristo Tatarcev."

"As to the use of the names of the major arteries which were named after the former Yugoslav republics, we shall try to apply reciprocity: For example, if 'Makedonska' Street will not be renamed in Belgrade, Skopje could have its 'Srbska Street.' Otherwise, in the case of cultural personalities from the other former Yugoslav republics, most of the names will remain, for what was essential to us was deideologization," we were told by Ljubisa Georgievski, member of the working group.

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